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Algeria	4.00	Dn.	Israel	1.50	Norway	7.00	Nld
Austria	20.5	Italy	1500	Sw.	Chen	0.70	Rsh
Belgium	0.20	Den	100	Port	0.70	Fin	
Canada	45.15	Fr	100	Spa	0.70	Isrl	
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Mexico	0.20	Pa	100	Swi	0.70	Swi	
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Switzerland	0.20	Te	100	Swi	0.70	Swi	
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Turkey	0.20	Ua	100	Swi	0.70	Swi	
U.S.A.	0.20	Ur	100	Swi	0.70	Swi	
U.S.S.R.	0.20	Va	100	Swi	0.70	Swi	
West Germany	0.20	Vi	100	Swi	0.70	Swi	
Yugoslavia	0.20	Vo	100	Swi	0.70	Swi	

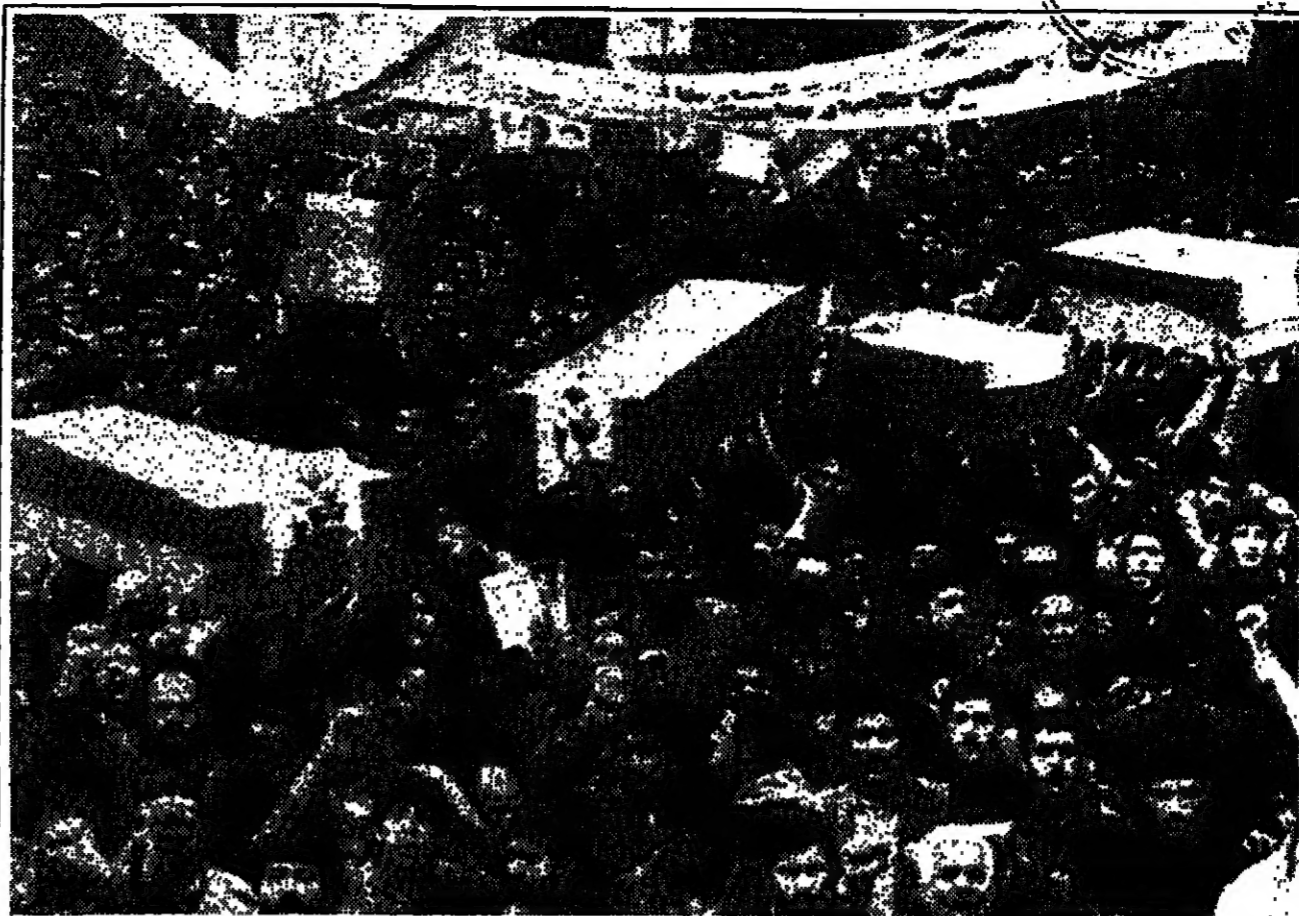
## Bankers See Lessons in Ohio

crisis Underscores Fragility of System After Deregulation

By John M. Berry  
Washington Post Service  
WASHINGTON — Karen N. Kravitz, president of the Federal Reserve Bank of Cleveland, summed up the larger lesson in the crisis that rocked the governor of Ohio to demand a three-day bank holiday for state-chartered savings and loan associations.  
"Financial institutions really can't run on cash as much as they can on confidence," said Mrs. Kravitz. "There is no amount of cash in the end that will do the trick if that confidence is stripped away."  
The Ohio crisis underscores the fragile, interlocking nature of the nation's financial system, and how problems in one part of it can quickly spread elsewhere.  
It also is another example of how, with deregulation of that system, and of both investors and managers of financial institutions to seek out the highest possible yields within that deregulated structure, risks can be assumed that no one even knew were there.  
As more and more types of investments are created, officials at the Federal Reserve are becoming increasingly concerned. They are worried both about the actual increase in risks and about the fact that they are sure they have not been able even to identify all of them.  
In Ohio, depositors had been willing to put their \$4 billion in the state-chartered savings and loans partly because of the oval signs prominently displayed in their windows.  
"Ohio Deposit Guarantee Fund," the signs read. "All Savings Guaranteed in Full."  
But guarantees that a depositor's money is safe are valuable only to the extent that the guarantor can make good a loss if called upon to do so.  
Earlier this year, the nation's second-largest commercial bank, the

Bank of America, lost nearly \$100 million in a complicated transaction because some insurance companies that had guaranteed mortgages on property were unable to pay off when it turned out that the property values were greatly inflated. The assets of the insurance companies were not large enough to stand the loss.  
The \$130 million worth of assets in the private Ohio Deposit Guarantee Fund apparently will be wiped out by the failure of a single institution — Home State Savings Bank.  
Before Home State failed, probably few if any of the depositors that were locked out of their savings and loans Friday had ever heard of a company called ESM Government Securities Inc. of Fort Lauderdale, Florida. Certainly they did not know that it posed a financial risk to them.  
ESM bought and sold for its customers securities such as those issued by the U.S. Treasury. It also executed repurchase agreements, or "repos."  
Under a repurchase agreement, someone with cash on hand agrees to buy a security from someone else who wants the cash and who in turn agrees to buy back the security for the same price plus interest at a later date.  
There were also "reverse repos," through which ESM paid out cash in exchange for securities while agreeing to sell the securities back later.  
When ESM went bankrupt on March 1, it had provided Home State with between \$640 million and \$670 million using reverse repos, while the savings and loan had apparently provided ESM with government securities worth significantly more than that.

Apparently at least \$300 million worth of government securities is missing because of losses and fraudulent actions at ESM, according to its bankruptcy trustee. What Home State's share of that loss will be is not known.  
At the end of 1984, Home State had assets supposedly worth \$1.4 billion and deposits of \$668 million. Thus, the savings and loan's transactions with ESM involved an amount of money almost equal to the institution's entire deposit base. The difference between Home State's assets and deposits was represented by its capital and funds obtained from other sources, such as the borrowing from ESM.  
Companies such as ESM are not regulated as are banks and savings and loans, although regulated institutions have also failed because of bad management and the sort of fraud that authorities say was responsible for the bankruptcy of ESM.  
A sizable number of other institutions and cities also suffered losses in ESM's failure, though much smaller than those of Home State, the exact amount of which is still unknown.  
When news of the Home State involvement with ESM became known, depositors began an old-fashioned run on the savings and loan. About \$20 million was withdrawn before it closed its doors. After Governor Richard F. Celeste declared the bank holiday, depositors who did not move as fast have their money tied up and may face a loss.  
ESM and the risks taken by Home State's management brought down Home State. That could have been the end of the ripple if the Ohio Deposit Guarantee Fund had had enough assets to have paid off all of the savings and loan's depositors.  
The private fund's \$136 million was not enough, and depositors in



Thousands marched in funeral ceremonies on Sunday for the 14 persons killed in the bombing at Tehran University.

## Fighting Increases In Gulf

Baghdad Warns Airlines to Avoid Flights Over Iran

BAHRAIN — The war in the Gulf intensified over the weekend as Iraqi and Iranian troops battled for control of a strategic road in southern Iraq. At least three ships were attacked on Sunday.  
In a further development, Iraq warned international airlines to stay out of Iranian airspace, which it declared a "prohibited zone" effective 5 P.M. Greenwich Mean Time on Tuesday.  
[British Airways postponed indefinitely all its flights to the Middle East in response to the Iraqi warning. United Press International quoted airline officials as saying Sunday.]  
There was no immediate reaction from other major airlines serving Tehran, which include Air France, Lufthansa and Swissair. But in Baghdad, aviation sources said that Lufthansa, Kuwait Airways and Alitalia had already suspended flights to Baghdad following an Iranian air attack there last week.  
The Iranian government, meanwhile, said that 14 persons died and 88 were wounded by the bomb explosion at Friday's open-air prayer service at Tehran University. Earlier reports had put the number of dead at six. The government blamed the Paris-based opposition group known as the Mujahideen.  
On the war front, heavy fighting was reported in marshes east of the Tigris River as the Iraqis, who launched a big attack there last week, battled to cross it and seize the highway from Baghdad to the southern port of Basra.  
Informed sources in Tehran said Iranian troops had taken six miles (10 kilometers) of the road, but there was no official confirmation of the report. A Baghdad newspaper quoted an Iraqi commander as saying the Iraqis crossed the river on Saturday but were driven back.  
Cutting the road to Basra would leave Iraq's second-largest city, with a population of one million, linked to the north by only one road from the west.  
Diplomats in Tehran said the Iraqis would be likely to make a drive on the city if they gained a firm hold on the Tigris's west bank, as a possible prelude to an offensive on Baghdad.  
Both sides reported inflicting heavy casualties in the fighting, which Iraq described as the fiercest of the war.  
Iraq said it had killed or wounded over 7,000 Iraqis since the latest offensive began, and the Iraqi information minister said that 15,000 Iraqis had been killed on Saturday alone. Neither side provides details of its own military casualties.  
Iraq said that more than 100 Iranian civilians died and hundreds were wounded on Saturday, when Iraqi planes launched waves of bombing or rocket raids on Iranian towns.  
Iraq acknowledged that its planes had raided about a dozen towns, some of them deep inside Iran, including the central city of Isfahan and the northern town of Rasht, near the Caspian Sea.  
In notifying international airlines of the prohibited war zone, an Iraqi military spokesman said that

## Syrians Confront Anti-Gemayel Rebels

BEIRUT — Syrian troops massed this weekend on the northern boundaries of Lebanon territory held by Christian militias in revolt against President Amin Gemayel.  
The rebels object to Mr. Gemayel's efforts, backed by Syria, to reach a political accord with Lebanon's Muslims.  
Lebanese security sources said three Syrian brigades were deployed on a 16-mile (25-kilometer) front from the Beirut-Tripoli coastal highway into hills a few miles south of Tripoli.  
Beirut newspapers quoted Prime Minister Rashid Karami as telling confidants that Syrian troops would intervene only at the request of the Beirut government.  
But the reports said Mr. Gemayel was not expected to ask the Syrians to fight the Christians rebelling against his Phalange Party, and the Syrian moves appeared aimed at forcing them to accept a political solution.  
The radio station of the Phalange Party said a three-man committee representing him, the rebels and a neutral figure had reached a draft compromise solution on Saturday and was consulting with unspecified groups on ways to carry it out.  
No details of the compromise were available. The rebels, led by Samir Geagea of the Lebanese Forces, have dismissed Mr. Gemayel as a Christian spokesman and want the formation of a National Christian Council to work

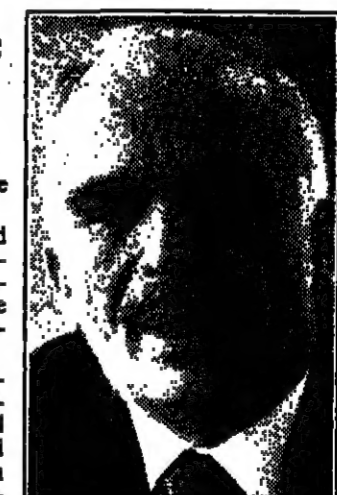
out the community's stand on any political changes.  
■ U.S. Reporter Kidnapped  
William Claiborne of The Washington Post reported earlier from Beirut, Lebanon.  
Another 11 members of the U.S. Embassy staff in Beirut were evacuated Saturday because of the deteriorating security situation, and three gunmen kidnapped the American bureau chief of The Associated Press in Beirut.  
Terry A. Anderson, the AP bureau chief for more than two years, was forced into the abductors' car as an AP photographer, Donald Mehl, was held at bay at gunpoint.

Mr. Anderson was the third foreigner kidnapped in predominantly Muslim West Beirut during the past three days.  
[An anonymous telephone caller speaking in the name of the Islamic Jihad organization claimed responsibility Sunday for kidnapping Mr. Anderson as well two Britons, Geoffrey Nash and Brian Levick, Reuters reported from Beirut.]  
[The caller stated no conditions for the release of the three men but said their abductions were part of a campaign to rid Muslim regions of Lebanon of foreign spies.]  
As they did last Thursday after evacuating 13 embassy employees

to Cyprus, U.S. officials characterized the Saturday airift as a "temporary measure" stemming from threats of terrorism and the uncertain security situation in East Beirut resulting from clashes between rival Christian militias.  
In Washington, the State Department said the U.S. Embassy in Beirut "continues to function" and characterized the removal of Americans as "prudent, temporary reductions in staff consistent with prevailing security conditions" and "not an evacuation." It deplored Mr. Anderson's abduction and reiterated advice to Americans in Beirut.  
(Continued on Page 2, Col. 5)

## Hussein Says He's Done All Possible for Peace

By Judith Miller  
New York Times Service  
AMMAN, Jordan — King Hussein of Jordan says he can move no further toward reviving the stalled Middle East peace process unless the United States agrees to meet with a joint Jordanian-Palestinian delegation.  
He also ruled out any peace talks that do not include the Palestine Liberation Organization.  
"I have done my utmost to move towards peace," Hussein said in an interview on Friday, the first he has given to a Western newspaper since he and the PLO signed an accord on Feb. 11. That accord is the basis for a joint bid for peace in the Middle East.  
"We must not miss this opportunity," the king said. "This is the last chance."  
Hussein asserted that Yasser Arafat, chairman of the PLO, had taken what he termed a "historic" and "significant" step by signing the accord with Jordan.  
Last week, President Ronald Reagan rejected a similar appeal by President Hosni Mubarak of Egypt for direct talks between the United States and a Jordanian-Palestinian delegation. Mr. Mubarak made his appeal during a five-day visit to Washington.  
Reagan administration officials objected to the idea of any such talks without Israel as well as to any public meeting with the PLO unless it explicitly recognized Israel's right to exist.  
The king's insistence on some American encouragement for the accord appeared to signal an impasse in the latest efforts to revive Arab-Israeli peace talks.  
But the king did not blame the United States. Mostly, he described what he thought was needed to get moving on the peace process.  
In a two-hour interview, Hussein praised Mr. Arafat for signing the accord. He called it a "courageous step" in view of the danger for Mr. Arafat from other Palestinians who opposed it.  
In recent weeks, several senior Palestinian officials have strongly criticized the accord and offered conflicting interpretations of it.  
Some of those officials have even suggested that the PLO would not be bound by key provisions. Abu Nidal, the Palestinian guerrilla interviewed recently by a French newspaper, has threatened to kill Mr. Arafat.  
Also, Syria and Lebanon have vehemently opposed the accord and have vowed to destroy it.  
Hussein outlined why he said he felt the accord was a sharp departure from previous PLO policy.  
He said the agreement meant that the PLO had accepted UN Security Council Resolution 242, which calls for the return of Israeli-occupied territory in exchange for recognition of the right of all states



King Hussein

continue to pursue his more moderate course, unless other Arab nations and the United States recognized the "historic" nature of the shift implicit in the accord and encouraged him to continue moving along these lines.  
■ Murphy Sets Mideast Trip  
Secretary of State George P. Shultz says the United States will send the State Department's top Middle East official to the region later this month "to maintain momentum toward peace in the Middle East."  
(Continued on Page 2, Col. 4)



Customers lined up outside a savings and loan association in Cincinnati before the governor of Ohio closed 71 thrift institutions for three days to end the run on deposits.

## Right Gains In Local Vote In France

By Joseph Fitchett  
International Herald Tribune  
PARIS — Conservative political parties were set to wrest control of local governments in a dozen areas from the governing Socialists at the close of local elections Sunday, according to computer projections.  
The gains by opposition parties confirmed their momentum from the first round last week in which they won roughly half the popular vote.  
Their margin appeared to forebode a conservative parliamentary majority in legislative elections next year. The parliament would then be in opposition to the Socialist president, Francois Mitterrand.  
Politically, the big winners of the local elections are the main conservative parties — the neo-Gaullists, led by Jacques Chirac, the mayor of Paris, and the Union for French Democracy, led by former President Valéry Giscard d'Estaing.  
These parties seemed likely to govern in as many as 72 of France's 96 administrative districts, which are known as departments. Before the election, conservatives controlled 60 and the leftists 36.  
A key question in the local elections has been relations of the two main conservative parties with the ultra-conservative National Front, led by Jean-Marie Le Pen.  
With its anti-immigrant slogans, the National Front won nearly 10 percent of the popular vote a week ago.  
Although Mr. Chirac and Mr. Giscard d'Estaing, anxious not to alienate centrists, ruled out any national alliance with the National Front, several of their local candidates solicited National Front support.  
In one district in Marseille, where anti-immigrant feelings are widespread, a National Front candidate

## U.S. Assailed on Approach to Talks

By Seth Mydans  
New York Times Service  
MOSCOW — The Soviet negotiator at the Geneva arms talks has accused the United States of seeking to back away from the agreed approach to discussions.  
The official, Viktor P. Karpov, said in a Soviet television interview Saturday that the Americans did not seem prepared to negotiate seriously about banning weapons in space, one of three discussion areas agreed to in January.  
His remarks were the first substantive Soviet statement since the negotiations began on Tuesday, and the first since Mikhail S. Gorbachev took office on Monday as the Soviet leader.  
Mr. Karpov's television appearance came after the United States and the Soviet Union agreed in their initial meeting in Geneva to follow the principle of confidentiality regarding the talks.  
His comments indicated that the Soviet side was maintaining its stand that the United States was not taking a constructive approach to negotiating on space weapons.



Viktor P. Karpov

"Some statements by Washington officials cannot but arouse concern," Mr. Karpov said. "You can sense in them a desire to revise the agreement on the subject matter and aims agreed on Jan. 7 and 8."  
At that meeting, Secretary of State George P. Shultz and Foreign Minister Andrei A. Gromyko agreed that the talks would cover "a complex of questions concerning space and nuclear arms, both strategic and intermediate-range."  
The Geneva talks were broken

down into separate discussions on the three areas, and it was agreed that all the areas would be "considered and resolved in their interrelationship." A part of the stated objective was said to be "preventing an arms race in space."  
Mr. Karpov, in his comments on television, said:  
"One could have the impression that the American side at the talks would like not to have discussions on making space peaceful and not to ban the deployment of offensive space weapons."  
On the contrary, he said, the Americans seem interested in giving "lectures on the alleged benefits of the American conception of 'star wars,' a conception that is aimed at making space a source of military threat to mankind."  
"Star wars" is the name popularly given to the U.S. program to develop a space-based missile defense system, officially known as the Strategic Defense Initiative.  
The Soviet Union has objected that the Americans seem bent on holding nothing more than what they call a "seminar" on space weapons.  
The United States has responded, as a diplomat in Moscow put it, that theoretical discussions are all that is possible, since "you cannot negotiate about weapons that do not exist."  
Mr. Gorbachev, in his first policy speech on Monday, called for "an immediate termination of the race in arms, above all nuclear arms, on Earth and its prevention in space." He invited "our partners in the Geneva talks" to negotiate on the same basis.  
Mr. Karpov said the Soviet side would seek to negotiate on the basis of the January agreement "in its entirety," linking progress on strategic and medium-range weapons to agreements on space arms.  
The United States has placed its emphasis on limiting strategic and medium-range weapons. For the Soviet Union, the overwhelming objective is to halt American plans to develop the space-based system.

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## New York Celebrates St. Patrick's Day

The archbishop of New York, John J. O'Connor, greeted Peter King, the grand marshal of New York's St. Patrick's Day parade, Saturday in front of St. Patrick's Cathedral. The archbishop called for efforts to end the sectarian conflict in Northern Ireland. Mr. King, a supporter of the outlawed Irish Republican Army, said before the parade began: "The message we are sending is that Irish-Americans are united in solidarity against British misrule in Northern Ireland." The Irish government boycotted the parade because of the participation of Mr. King.

## U.S. Officials Are Split On Response to Newest Soviet Strategic Missiles

By Walter Pincus  
Washington Post Service

WASHINGTON — The Soviet Union has apparently begun to deploy its new mobile intercontinental missiles, and U.S. officials are divided over how to respond.

The Russians are also destroying some older, silo-based missiles, a move that some officials think means that Moscow may be preparing to stay within the limits of the SALT-2 arms control agreement.

These officials, including some top-ranking military men, also think the mobile missiles, if swapped for silo-based ones, result in a less threatening nuclear array. Therefore, they want to encourage Moscow to stay within the limits of the strategic arms limitation treaty and destroy old, silo-based intercontinental ballistic missiles, or ICBMs, as the new weapons are deployed.

To help accomplish this, these officials think, the United States should move to extend the treaty, since the 1979 agreement expires at the end of this year. Although the U.S. Senate never ratified the SALT-2 treaty, both the United States and the Soviet Union agreed to abide by its provisions.

But other Reagan administration officials think the first of the mobile missiles being deployed, the single-warhead SS-25, violates the terms of the accord. Deployment of the missile and a larger, rail-mobile, 10-warhead SS-24, they say, will be destabilizing and result in an escalation of the arms race.

These officials want the United States to oppose the new weapons. The new Soviet missiles are bound to come up as a subject in the strategic arms discussions between the United States and the Soviet Union that began Tuesday in Geneva.

Earlier this month, Colonel General Nikolai F. Chervov, a member of the Soviet general staff and a spokesman on arms control matters, said the United States and the Soviet Union have agreed to discuss the SALT-2 limits.

The reported Soviet ICBM deployment plus additional pressure on the negotiators to continue some limit while they attempt to achieve reductions. In addition, if it takes no action, the United States will exceed another of the SALT-2 limits, permitting only 1,200 multirange missiles on land and sea, when the submarine Alaska is scheduled to go on sea trials this fall with 24 missiles.

There are signs of deployment of the SS-25 at two Soviet missile fields, according to intelligence sources.

Concrete shelters for 24 mobile SS-25s at the Yushkar Ola missile base, and another 24 at the Yuyra field have been completed. At Yushkar Ola, where the Russians have 60 SS-13s in silos, there are signs that those silos are being reworked, perhaps for SS-25s.

The Russians have said the SS-25 is a modernized version of the SS-13. President Ronald Reagan reported to Congress last month, however, that the SS-25 was a new missile and thus barred by SALT-2.

The Soviet Union has successfully tested the SS-24 from a railroad launcher.

Last summer, the Russians began to destroy 18 silos that held old SS-11 single-warhead missiles. There is disagreement in the U.S. intelligence community over whether this indicates that the Russians intend to adhere to limits on missile numbers or are preparing for a fast buildup of single- and multiple-warhead mobile ICBMs.

SALT-2 limits each nation to 820 land-based missiles with multiple warheads. The Russians now have 818 such missiles, based in silos. Deployment of just three SS-24s, for example, without comparable reduction of an older multirange land-based ICBM, would put the Russians over the SALT-2 limit.

There is no agreement in the Reagan administration on the implications of SS-24 deployments. Last week, Robert C. McFarlane, the White House national security adviser, described the mobile multirange missile as a new "destabilizing system."

Later, however, a key Reagan adviser on weapons and arms control privately contradicted Mr. McFarlane's analysis, saying the observed tests of the SS-24 have shown it is not as accurate as the silo-based ICBMs and thus less threatening.

Slightly larger than the new U.S. MX intercontinental missile, the SS-24 is the first large solid-fuel Soviet ICBM. With solid fuel, missiles can be prepared for launch quicker than liquid-fueled rockets. All U.S. ICBMs are solid fuel except for 30 old liquid-fueled Titans, which are being retired.

Current estimates are that the SS-24 will not be deployed until late 1986, according to sources, but some officials say it may come sooner.

Missiles will be carried on rail launchers that will be difficult to locate and count, sources said.

The SS-25 operates on solid fuel and travels on a tractor-drawn launcher. With completion of shelters, sources said, substantial deployment is expected within the next six months.



James A. Abrahamson

## U.S. Aide Sees Early Decision On 'Star Wars'

By Charles Mohr  
New York Times Service

WASHINGTON — The director of a program to develop a defense against nuclear missiles has predicted that a "reasonably confident decision" on whether to make such weapons could be made by the end of this decade or in the early 1990s.

Lieutenant General James A. Abrahamson of the air force said Friday that it was "an overstatement of the problem" to suggest that it would be the end of the century or later before it became clear whether the program was feasible.

General Abrahamson, who heads the Strategic Defense Initiative Office, made his remarks in testimony before the Subcommittee on Strategic and Theater Nuclear Forces of the Senate Armed Services Committee.

He said that an earlier decision on the technology might be made "to be able to move into the initial portion" of what is now envisioned as a three-layer system to intercept and destroy nuclear missiles.

Several times, General Abrahamson denied that the objective of the program might be shifted from a widespread defense of the United States and Europe to a limited defense of U.S. missile silos and military facilities.

However, he seemed to confirm rumors in national security and scientific circles that his office saw promise in the possible use of interceptors that would destroy missiles or warheads with high-speed, non-explosive projectiles. He described such kinetic-energy technologies as more "mature" than those based on directed-energy systems such as lasers and particle beams.

He indicated that kinetic-energy interceptors, which would probably be propelled by rockets or fired by powerful pulses of magnetic energy, could be part of a three-tiered defense system. That system would attempt to destroy Soviet missiles and warheads soon after launching, while warheads were coasting through space and, finally, after they re-entered the atmosphere.

To be used to attack missiles in the lifting phase, kinetic-energy rockets would have to be based on space stations permanently orbiting the Earth, scientists say.

The general did add to the doubt already cast by others in his office on the possible use of X-ray lasers that would be powered by nuclear explosions in space.

He said that his office's emphasis was on President Ronald Reagan's objective of a nonnuclear defense and that the X-ray lasers were "a very small part of the total effort."

## EC Ministers Meet in Effort to Agree On Entry Terms for Spain, Portugal

The Associated Press

BRUSSELS — The foreign ministers of the European Community opened a four-day negotiating session Sunday on membership terms for Spain and Portugal.

The 10 ministers were also seeking agreement on financing this year's community budget and on terms of a special aid program for poorer Greek and Italian farmers.

The foreign ministers' regular two-day monthly meeting was expanded to four in an effort to resolve these problems before an EC summit meeting scheduled for March 29 and 30.

Many officials say that the terms for Spanish and Portuguese membership must be settled now if the parliaments of the member countries are to ratify the accession treaties by Jan. 1, 1986, the date on which the two nations are supposed to join the community.

Some governments fear that if the target date is missed, the enlargement effort could be suspended.

Many membership terms for Spain and Portugal remain to be settled. The most disputed are access for Spain's large fishing fleet to community waters, the rights of Portuguese and Spanish workers to jobs in the 10 other member nations and access of Spanish fruits and vegetables to community markets.

The size of their contribution to the annual EC budget must also be resolved. The budget is financed by customs and agricultural duties and by the transfer by each country of 1 percent of its value-added, or sales, tax collections.

Last summer, the EC heads of government agreed to increase the value-added tax contribution to 1.4 percent of receipts to finance the expansion of the community. The extra money was supposed to become available Jan. 1, 1986. However, all countries with the

exception of West Germany now favor advancing the effective date to mid- or late-1985 to finance this year's budget, which was rejected in December by the European Parliament.

The advancement of the date would clear the way for the governing Council of Ministers to submit a new budget to Parliament.

Another major obstacle facing the foreign ministers is Greece's objection to the size of proposed financial aid for the poorer southern regions of the community, mainly Greece and Italy.

The plan, called Integrated Mediterranean Programs, calls for 2 billion European Currency Units (\$1.4 billion) in grants, 2.3 billion ECU in loans and an undetermined amount of money diverted from existing community aid programs.

Greece has said that if its demands for more money are not met, it will veto the membership of Spain and Portugal.

## Hussein Says He Can Move No Further

(Continued from Page 1)

die East," The New York Times reported from Washington.

He said that after Foreign Minister Taher al-Masri of Jordan visits Washington next week, Mr. Reagan will send Richard W. Murphy, assistant secretary of state for Near Eastern and South Asian affairs, to Israel, Egypt, Jordan, Saudi Arabia and other countries to assess developments.

But Mr. Shultz again rebuffed on Friday the proposal made earlier last week by Mr. Mubarak that the United States invite a joint Jordanian-Palestinian delegation to Washington as a possible first step toward eventual negotiations with Israel.

"Mr. Mubarak's suggestion is one suggestion," he said. "There are others." The Reagan administration has said that it wants direct talks and is wary of such preliminary discussions getting in the way of actual negotiations.

Nevertheless, faced with developing criticism in Egypt and other Arab nations that the Reagan administration was not being forthcoming enough, Mr. Shultz said: "I think it is fair to say that there has been movement among the parties in the region which we have encouraged."

■ **Mubarak to Visit Jordan**

Mr. Mubarak will travel Monday to Jordan to brief Hussein on his recent trip to the United States and Western Europe, United Press International reported Sunday from Cairo.

The meeting between the two leaders will be their fifth since Jordan restored diplomatic relations with Egypt last September.

In Amman, a palace spokesman said that Hussein and Mr. Mubarak would "make a complete evaluation of Arab action at the international level to find a just and lasting solution to the Middle East conflict."

## Iberia Jet Skids Off Runway

Reuters

SANTA CRUZ DE TENERIFE, Canary Islands — An Iberia Airlines DC-9 aborted its takeoff here Saturday and skidded off the runway, stopping 50 feet (15 meters) from a ravine. There were no reported casualties. No reason was given for the incident.



Terry A. Anderson

## Syrians Face Gemayel Foes

(Continued from Page 1)

not "to take advantage of the opportunities to leave."

In its movements to back Mr. Gemayel against the Christian rebels, the Syrian Army cut off the coastal highway from Tripoli to Beirut at the Madfoun bridge, 29 miles (47 kilometers) north of Beirut. It also was reported to have deployed 25 tanks, 20 armored personnel carriers and eight mounted rocket launchers near the bridge Saturday night.

A senior source in the rebel Lebanese Forces command in Beirut said Saturday night that the militia was "observing for the moment" to determine the Syrians' intention.

Asked whether Lebanese Forces reinforcements would be moved from Junieh and other Christian strongholds to the Barbarah checkpoint four miles south of the Syrian Army position, the source said that if it appeared the Syrians had intentions to move, "We are prepared to confront them."

Although the Syrian Army moved only about a mile from its previous position north of the Madfoun bridge, the move to the fringes of the Christian heartland symbolized Syria's determination not to permit the rebellion to scuttle attempts by Damascus to reassert parliamentary representation and government patronage between Muslims and Christians in a way aimed at ending years of sectarian violence in Lebanon.

## War in Gulf Intensifies; 3 Ships Hit

(Continued from Page 1)

Iraq intended to continue air attacks on Iranian cities and would not be responsible for the safety of commercial aircraft.

"Being concerned for the safety of passengers entering and leaving Tehran," he said, "we warn all international airlines that all Iranian airspace is considered a prohibited zone and any aerial target will face danger because of the difficulty in distinguishing targets."

Iraq has already declared the northern Gulf a prohibited zone and has attacked dozens of foreign oil tankers and merchant ships serving Iran's Kharg Island oil terminal and other ports.

At least three vessels, two of them tankers, were hit Sunday in strikes by both Iran and Iraq over hundreds of miles of the vital waterway, which carries almost a third of the West's oil supplies.

Shipping sources said that a Liberian tanker, the Caribbean Breeze, was hit in an apparent Iranian attack off Qatar and that 10 crewmen were hurt, three seriously. The ship, chartered to Kuwait's national oil company and carrying 1.8 million barrels of Kuwaiti crude, was set ablaze but the fire was later put out.

Another tanker, said to be the Agartia, was hit and set ablaze shortly after leaving Kharg with a load of crude, and an oil field supply vessel was hit near the Iranian terminal, the sources said.

■ **U.S. Neutrality Questioned**

The United States, despite being officially neutral in the Gulf conflict, has been passing intelligence information to Iraq warning of approaching Iranian air attacks, United Press International quoted The Sunday Times as reporting.

The London newspaper, quoting unidentified European intelligence sources, said the information was gathered by "U.S. satellites orbiting over the Gulf and from U.S. reconnaissance planes, on loan to Saudi Arabia."

The Sunday Times said a Pentagon spokesman denied that the United States was supplying intelligence information and insisted that Washington had "a policy of strict neutrality."

■ **Cease-Fire Is Sought**

Iraq has asked the United Nations to arrange an immediate cease-fire with Iran, Baghdad radio reported.

## WORLD BRIEFS

### Reagan and Mulroney Open Summit

QUEBEC (UPI) — President Ronald Reagan, opening a meeting with Canada's prime minister, Brian Mulroney, called Sunday for "free dealing, cooperation and a spirit of give and take" between the two countries. The summit promised to be dominated by the environment issue of acid rain.

President Reagan hailed the basic strength of U.S.-Canadian relations and suggested differences of opinion could be resolved cordially with "the most productive relationship between any two countries in the world today."

Mr. Reagan, making his first trip out of the United States since the start of his second term two months ago, was accompanied by advisers and cabinet members reflecting the issues on the agenda: Secretary of State George P. Shultz, Defense Secretary Caspar Weinberger, Attorney General Edwin Meese 3d, William Brock, chief trade representative, and Lee Thomas, administrator of the Environmental Protection Agency.

### Hijacker Is Slain on Saudi Airliner

MANAMA, Bahrain (Reuters) — A lone hijacker who seized a Saudi Arabian airliner over Riyadh, Saudi Arabia, on Sunday was shot and killed by a security guard aboard the Boeing 737, the Gulf News Agency reported.

The agency quoted a statement from the Defense and Aviation Ministry as saying that the plane with 76 passengers aboard had been in flight from Jeddah to Kuwait.

The statement said the plane was over Riyadh around 2:50 P.M. for time when the pilot warned air traffic control that the aircraft had been hijacked by a person armed with a handgun. A security guard on the plane shot the hijacker after failing to persuade him to surrender. The hijacker, who exploded and caused some damage in the struggle.

### U.S. Bishops Urge Vote Against MX

WASHINGTON (NYT) — The Roman Catholic bishops of the United States have sent a letter to every member of Congress urging the vote against funds to produce the MX nuclear missile.

The letter from the U.S. Catholic Conference, sent Friday, was due to reach Congress before the first of four votes on the intercontinental missile, beginning Tuesday. The conference, which consists of about 2,000 Catholic bishops, said its opposition to the missile was based on "a potentially destabilizing impact of this weapons system on the nuclear arms race," and "its cost, viewed in light of pressing human needs."

The letter to Congress was clearly the most specific and firm opposition to the MX missile expressed by the Catholic bishops. Both houses of Congress must vote on whether to release \$1.5 billion to produce 21 MX missiles. One vote in each house will be to authorize the release, the other to appropriate funds. The first vote in the Senate has been scheduled for Tuesday.

### Sindona Sentenced to 15-Year Term

MILAN (Reuters) — Michele Sindona, the Sicilian financier, has been sentenced to 15 years in prison for his part in the fraudulent collapse of his banking empire more than 10 years ago.

The sentence was passed Saturday after a Milan court found Sindona guilty of bank fraud and of falsifying records of his companies' financial speculation on the Milan stock exchange. The court also banned Mr. Sindona from ever holding public office and from conducting business for 10 years. He was ordered to pay two billion lire (about \$400 million) to his creditors.

Mr. Sindona, 64, was a financier and Vatican adviser until his business, including the Banca Privata Italiana, crashed in 1974. He was extradited last September from the United States, where he had been serving a 25-year sentence for fraud in connection with the collapse of the Franklin National Bank.

### Missile Opponents Protest in Brussels

BRUSSELS (Reuters) — Protesters held a rally Sunday in central Brussels and called on the parliament to censure the government for having accepted U.S. cruise missiles. The parliament is to vote on a decision on Monday.

Turnout at the march was evaluated at several thousand people. Kar van Miert, leader of the opposition Flemish-speaking Socialist Party, said that the government had shown contempt for the parliament by announcing the decision until Friday, when 16 of the U.S. missiles were on their way to a site in Florence, south of Brussels.

Prime Minister Wilfried Martens said on television that the government alone had the right to decide on security, but that parliament could refuse to approve the government's plans. Mr. Martens's Social Christian Party is divided over the missiles, and political sources said several members might abstain, threatening the government's six-seat majority. But support from fringe opposition parties should help the coalition survive.

### For the Record

Secretary of State George P. Shultz of the United States will visit Vienna in May for celebrations marking the 30th anniversary of Austria's State Treaty, and Foreign Minister Andrei A. Gromyko of the Soviet Union is also expected, Austria announced Sunday. (Reuters)

Frederic Castaing, 41, a French businessman, said Sunday he had been abducted and tortured in Poland last week after being questioned by police about documents in his possession concerning the outlawed Solidarity trade union. Mr. Castaing, an expert in historical documents and autographs, said he had been detained by police in Krakow for 10 days and then ordered to leave the country. (Reuters)

The president of Tanzania, Julius Nyerere, arrived in Britain on Sunday for a four-day visit that is to include a meeting with Prime Minister Margaret Thatcher. (UPI)

## Right Gains in French Voting

(Continued from Page 1)

didate defeated a neo-Gaullist who had declined to withdraw in his favor.

Socialist voters turned out in slightly higher numbers than on the first ballot but still too few to produce a significant comeback.

The Communist Party, projections indicated, seemed likely to drop below 10 percent of winning candidates.

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Communist voters apparently supported Socialist candidates in many districts despite the party leadership's break with the Socialists last summer.

Supporters of the Communists and the National Front seemed, in most cases, to turn out for the main leftist and rightist parties in Sunday's ballot.

The voting over two Sundays involved about 2,000 local districts across France. Half of about 4,000 local councilors are elected every three years for six-year terms.

The Socialists, faced with declining popularity, seem likely to introduce proportional representation into the voting system in time for the parliamentary elections next year in hopes of enhancing their chances of remaining in government.

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## AMERICAN TOPICS

### Pundits Predict Candidates for 1988

Two years before the last presidential election, a poll of the House Administrative Assistants Association, composed of senior congressional aides, predicted that Ronald Reagan would run for re-election against Walter F. Mondale.

The New York Times reports that, "flushed with this record for prescience," the same group of political professionals has produced an even earlier forecast for 1988, though the crystal ball appears a good deal cloudier for that year. Focusing on probability rather than personal preference, 60 percent of the 310 members predicted that the nominees would be Vice President George Bush for the Republicans and 39 percent bet on Governor Mario M. Cuomo of New York for the Democrats.

Republican also-rans: Representative Jack F. Kemp of New York (25 percent), Senator Robert J. Dole of Kansas (12 percent) and Howard H. Baker Jr., the former senator of Tennessee (3 percent). Among other Democrats: Senator Gary Hart of Colorado (25 percent), Senator Edward M. Kennedy of Massachusetts (17 percent) and Representative Richard A. Gephardt of Missouri (6 percent).

### Short Takes

Major work stoppages were fewer last year than at any time since World War II, according to the U.S. Bureau of Labor Statistics. Only 62 major strikes, involving a total of 376,000 workers, began during 1984, compared with a previous post-war low of 81, with 509,000 on strike the year before. The Washington Post says experts ascribe the decrease to declining union membership, high unemployment and increased automation. They also cite more cooperative labor-management relations and increased foreign competition, which makes both sides wary of conflict.

People and Taxes, a consumer publication, says a taxpayer wrote to the Internal Revenue Service to suggest that the personal income tax return, called Form 1040, had been given that number to commemorate one of two dates in history: In 1040 B.C., the prophet Samuel gave in to the people's demands for a king, but warned that a king would insist that they pay taxes. In A.D. 1040 Lady Godiva rode nude through the streets of Coventry to protest taxes levied by her husband, the earl, Roscoe Egger, the IRS commissioner, says the mundane truth is that the number happened to be the next available in the system when Form 1040 was devised in 1913.



**PITTSBURGH SHOOTOUT** — Victor Balsamico, left, a police officer, is comforted by a fellow officer after he shot and killed a man with a gun who had entered an office building and wounded his own wife.

**Shorter Takes:** Four of the 50 states in the union lost population between 1980 and 1983, according to the U.S. Census Bureau. All were in the "Frost Belt" of the Middle West: Indiana, Iowa, Ohio, and, with the heaviest loss, Michigan, down 2.1 percent to 9,069,000. ... Thirty-six percent of American farms had telephones in 1949, when the Rural Electrification Administration began making loans to extend phone service. According to federal documents, more than 95 percent of farms have phones today.

### Notes About People

President Reagan's entry was the first in the Soviet Embassy's black leather book of condolences following the death of President Konstantin U. Chernenko. With Ambassador Anatoli F. Dobrynin looking on, Mr. Reagan wrote, "My condolences and sympathy to Chairman Chernenko's family and to the Soviet people, and people in this time of bereavement. Let us rededicate ourselves to enduring a lasting peace between our countries." (signed) Ronald Reagan.

Calvin Coolidge, the 30th president (1923-1929), did not destroy all his private papers before his death in 1933, despite statements to the contrary in the index to his presidential papers in the Library of Congress. Coolidge's son John, now 78, discovered a dozen cartons of such papers in the attic of the family home in Plymouth, Vermont, and donated them to the public library in Northampton, Massachusetts, where Coolidge served as mayor for a year. Lawrence E. Wikander, the library's curator of Coolidge memorabilia, says the documents provide no major revelations.

Much of Plains, Georgia, is expected to be preserved as the Jimmy Carter National Historic Site, according to The Washington Post, but not what is perhaps the most famous landmark of all, the gasoline station where Jimmy Carter's younger brother, Billy Carter, held forth. Billy Carter, 47, vice president of a mobile home factory, and now living in Waycross, Georgia, said he didn't mind. "I don't care if they bulldoze the whole town," he said.

—Compiled by ARTHUR HIGBEE

## Shultz Urges 'Crackdown' To Protect Secret Data

By Bernard Gwertzman

**WASHINGTON** — Secretary of State George P. Shultz has testified that "we need a crackdown" within the U.S. government to prevent the disclosure of highly classified information.

Mr. Shultz, appearing Friday before the Senate Foreign Relations Committee, was questioned by two Democratic senators, Claiborne Pell of Rhode Island and Paul S. Sarbanes of Maryland, about recent comments made by senior department officials about Leslie H. Gelb, national security reporter of The New York Times.

An article by Mr. Gelb, published Feb. 13 by The Times, described U.S. contingency plans to deploy nuclear depth charges in some allied countries. [The article appeared Feb. 14 in the International Herald Tribune.] It noted that information about the plans had been published and discussed in those countries.

Mr. Shultz, while conceding that reports on the plans had been published abroad, told the senators that the article "has done us a considerable amount of damage."

He added that because Mr. Gelb had served in the government, in a "particularly sensitive post," his writings took on "special authority."

Mr. Gelb was director of the State Department's Bureau of Politico-Military Affairs from 1977 to 1979.

"Therefore," Mr. Shultz said, "in my opinion, I think having been that post, you have a special responsibility, and I know that Mr. Gelb tries to exercise that responsibility, but still, publishing things that are harmful is hard to take."

At the same time, he described Mr. Gelb as "a person of tremendous stature, great ability," and said, "I don't want to in any way run him down."

After Mr. Gelb's article was published, Lieutenant General John T. Chain Jr., current director of the Bureau of Politico-Military Affairs, forbade his staff to talk to Mr. Gelb. He also ordered the removal of an official office portrait of Mr. Gelb that hung alongside those of other previous directors of the bureau.

General Chain later allowed his staff to talk to Mr. Gelb but did not replace the picture.

When Senator Pell asked Secretary Shultz on Friday if Mr. Gelb had been extended an apology for the general's actions, Mr. Shultz, citing Mr. Gelb's "special responsibility," said, "I'm not prepared to apologize to anybody."

Secretary Shultz said that General Chain had done "a tremendous service" in drawing attention to the matter. The secretary said he would like to sit down with members of Congress and the press to discuss the issue.

"Don't misunderstand me," he said. "I'm not saying we need to crack down on the press, but I think we need to call attention to the seriousness of the problem."

In New York, Seymour Topping, managing editor of The New York Times, said that the decision to publish the article "was made by the editors of The Times, not by Mr. Gelb."

"The editors took into account factors affecting national security and our obligation to inform our readers," he said. "Mr. Gelb consulted with White House and State Department officials before writing the article."

"Mr. Gelb left government service in 1979 and joined the staff of The Times in 1981. He has fulfilled his duties as a reporter without making use of privileged information that might have been obtained when he was an official, and in full cognizance of all his responsibilities," Mr. Topping said.

## U.S. Is Preparing Tighter Rules on Asylum

By Robert Pear

**WASHINGTON** — The Reagan administration is preparing extensive changes in the rules and procedures for granting asylum to aliens.

Officials of the Departments of Justice and State said the proposed changes were designed to streamline the asylum process and to give the immigration authorities more flexibility in handling applications. They said a secondary purpose was to take the asylum issue out of the "legislative arena," where it has complicated efforts to pass a comprehensive immigration bill.

Immigration lawyers said the new rules could make it more difficult for some aliens to gain asylum.

Under the Refugee Act of 1980, aliens may qualify for asylum if they have "a well-founded fear of persecution" in their homeland "on account of race, religion, nationality, membership in a particular social group, or political opinion."

The U.S. Immigration and Naturalization Service and the State Department have said that it is not enough for the aliens to show gen-

eral conditions of violence in their homeland. They must show that it is likely that they would be singled out for persecution.

The administration maintains that many illegal aliens from Latin America are fleeing poverty, not persecution, and do not qualify for asylum.

Asylum has become a particularly sensitive issue since January, when the administration moved to crack down on church groups offering sanctuary to people from Central America who said they were fleeing persecution and violence. The Justice Department contends that such groups are illegally smuggling or harboring aliens.

Leaders of the sanctuary movement say that decisions on granting asylum have become so entwined with politics and foreign policy that they are not objective or fair.

Immigration officials say that the new rules are not part of an effort to curb the sanctuary movement.

Under the existing rules, the immigration service must seek a formal advisory opinion from the

State Department on every asylum application. Under the proposed rules, to be issued for public comment this spring, the immigration service would simply give the State Department "notice" of all applications. Advisory opinions would no longer be required.

The new rules would specify factors justifying the denial of asylum. One would be the availability of a "safe haven" in a country through which the alien passed on the way to the United States.

The new rules say that immigration officials may deny a request for asylum if there is evidence that the alien caused his or her flight from persecution and found "protection" in a country that signed the 1967 United Nations Protocol on the status of refugees.

The current rules say that the attorney general must deny a request for asylum if the alien "has been firmly resettled in a foreign country" before coming to the United States.

"An alien is considered to be 'firmly resettled' if he was offered resident status, citizenship or some

other type of permanent resettlement by another nation," the rules say.

The proposed rules would omit the word "permanent," making clear that aliens could be denied asylum in the United States even if they were not permanently resettled elsewhere.

Under existing law, if aliens have a well-founded fear of persecution, they are not automatically entitled to asylum in the United States but will not be forcibly returned to the country they fled. The attorney general, working through the immigration service, has discretion to grant or deny asylum.

The new rules also clarify the standard of proof in asylum cases, rejecting some of the more liberal interpretations by federal courts.

The new rules adopt the same standard for asylum cases that the Supreme Court laid down in June in a decision dealing with deportations. The court said then that the attorney general must not deport aliens to a country where there was "a clear probability" that they would be persecuted.

## Meese Criticizes School Busing and Rejects Job Quotas

By Edwin Meese

**WASHINGTON** — Edwin Meese 3d, in his first news conference as attorney general, has criticized school busing as a method of racial integration and rejected hiring quotas as an "improper" means of seeking affirmative action.

"I think it's generally recognized in educational as well as legal circles that school busing has had a marginal effect as far as improvement is concerned," he said Friday, "and actually in some cases has added to the deterioration of the situation."

In rejecting quotas as a means of affirmative action, Mr. Meese outlined what he termed "permissible activities under the law" that should be expected, for example, of contractors awarded government work. Affirmative action means giving preferential treatment in hiring and promotion on the basis of sex or race, to correct for past discrimination.

"We want them to widen the fields of hiring, we want them to go out and recruit as broadly as possible, we want them to go out and provide information among minority people of the opportunities that are available, we want them to have training programs," Mr. Meese said. But he characterized quotas as "improper" under the law.

## U.S. to Cut Off Farming Irrigation To Thousands of Acres in California

By Cass Peterson

**WASHINGTON** — The Interior Department, in a move that will remove tens of thousands of acres of California farmland from production, has announced that it will immediately shut off the flow of contaminated irrigation water to the Kesterson National Wildlife Refuge near Los Banos, California.

"We have no choice but to take this action," Carol Hallert, a representative of Interior Secretary Donald P. Hodel, told a congressional panel Friday in Los Banos.

According to Interior officials, the action will make at least 42,000 acres (16,900 hectares) of farmland immediately unsuitable for agriculture.

It also raises doubt about the future of western San Joaquin Valley, where 1.5 million acres of California farmland are under irrigation. While 42,000 acres are immediately threatened, Interior Department geologists have estimated that almost all of it will need drainage if it is to remain productive.

The western San Joaquin valley is irrigated by water brought from the north by the federal Central Valley Project. Because clay beneath the soil prevents natural drainage, excess water, tainted with salts and a toxic mineral called selenium, must be sent back north.

Much of it drains into the Kesterson refuge, which is now so saturated with toxic substances that it kills birds that nest there. Despite a \$500,000 program designed to frighten waterfowl away, hundreds of birds have died from selenium poisoning or have produced grotesquely deformed chicks.

Secretary Hodel said in Washington that he had also ordered the Bureau of Reclamation to check drainage systems throughout its maze of irrigation projects.

The Kesterson refuge lies at the end of one of the bureau's most elaborate drainage systems, the San Luis Drain. The drainage project was halted more than 100 miles (160 kilometers) short of its proposed discharge point above San Francisco when federal construction funds ran out in the mid-1970s. Agricultural waste water originally destined for San Francisco Bay has been discharged into the refuge's 1,200-acre complex of ponds.

The refuge is so heavily contaminated with selenium that California officials last month declared it a toxic dump and ordered the Interior Department to clean it up within three years.

But Ms. Hallert, Mr. Hodel's representative, said Friday that the department had decided to act immediately because of the possibility of violations of international treaties intended to protect migratory waterfowl. Kesterson is in the middle of the Pacific Flyway, a path followed by millions of ducks, geese and other waterfowl during their seasonal shuttles between Canada and Mexico.

"There are conflicts between irrigation for the valley and the law against the taking of migratory birds," and resolving that conflict is a matter for Congress, she said. The unexpected decision shocked members of a House Interior subcommittee, which was meeting in Los Banos at the request of its chairman, Representative George Miller, a Democrat of California.

"Imagine yourself in a hearing room packed with farm interests and farmers," said Albert Meyerhoff, an attorney for the Natural Resources Defense Council who was scheduled to testify at the hearing. "You could almost see it in midair, that hot potato flying across the hearing room."

In Washington, Interior officials hastened to brief California lawmakers on the decision, which is expected to cost from \$30 million to several hundred million dollars.

The action will require cutting off irrigation water to at least 42,000 acres adjacent to the San Luis Drain, closing the drain and plugging all the subterranean agricultural pipes that empty into it.

## Crisis Highlights System's Weaknesses

(Continued from Page 1)

Other institutions who had thought their money was guaranteed perceived a new risk. The ripple continued to spread.

The risk had actually been there all along, but events had never called it to anybody's attention.

First, the fund was not large enough to survive the failure of the largest institution covered by its guarantees. Second, the process of trying to find a buyer for what is left of Home State highlighted the fact that, like the majority of thrift institutions across the country, it had many mortgages on its books with interest rates well below those on mortgages issued today.

If those mortgages, which are part of Home State's assets, have to be sold, their current value may be as much as \$100 million less than their face amount. As long as payments are being made on such loans, banks and savings and loans do not have to recognize such paper losses in calculating their income and net worth. However, if an institution goes under and its assets are sold, the losses do have to be acknowledged.

So, for perfectly understandable reasons, depositors have lost confidence in most of the 71 savings and loans that were not federally insured and want to get their money out. And the very act of their taking their money out, if they can, will force the institutions to close.

If every one of the savings and loans were to disappear, and depositors were to suffer even a sub-

stantial loss, the amount of money involved is not large enough to undermine directly the nation's financial system.

Nevertheless, officials at the Federal Reserve, the Federal Home Loan Bank Board, which oversees federally chartered savings and loans, and other regulatory agencies are concerned that the crisis in confidence not spill over into other parts of the financial system.

Nearly a year ago, the regulators faced a far more serious situation when the same sort of loss of confidence threatened Continental Illinois National Bank and Trust Co. When news of large loan losses shook depositor confidence in that \$41-billion institution, the federal government was forced to bail it out.

Continental's collapse would have shaken the entire world. Therefore, the federal government stepped in to guarantee all of Continental's liabilities, from the large deposit to the smallest bill.

Continental has survived, as a much smaller bank, after large-scale infusions of federal credit and a transfer of billions of dollars worth of problem loans from its books to those of the Federal Deposit Insurance Corp.

The remaining savings and loans in Ohio, whether federally- or state-chartered, have their deposits insured by the Federal Savings and Loan Insurance Corp., which ultimately can call on the U.S. Treasury for money to make good on any losses in accounts up to \$100,000.

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## Maputo Seems to Have Gained Little by Pretoria Pact

By Alan Cowell  
New York Times Service

**CAPE TOWN** — South Africa marked the first anniversary Saturday of a peace accord with Mozambique that has given the Marist group little in return for helping both Africa undermine its most prominent external foe.

The agreement, called the Nkomati Accord after the border river, whose banks it was signed, committed the two ideological foes to withholding support for each other's insurgents. But the insurgency in Mozambique, which South Africa started sponsoring in 1980, and which it now says it has abandoned, has spread since the pact as signed to areas around the capital, Maputo.

Mozambique, meanwhile, issued much criticism from other black-ruled African nations for signing the accord with its white-ruled neighbor and for carrying it

out by expelling all but a token representation of the African National Congress, the most active of the exiled groups seeking the violent overthrow of white minority rule.

At a news conference in Pretoria on Saturday, Foreign Minister R.F. Botha said counterfeits and "an international web of bankers, financiers and businessmen" were continuing to support the Mozambique insurgents, whose activities were supposed to wither after the nonaggression pact was signed in 1984.

In Maputo, the anniversary was marked by a widespread power failure, apparently the result of sabotage by the Mozambique National Resistance and timed to coincide with the anniversary. Western diplomats in Maputo said President Samora Machel of Mozambique had become increasingly bitter at South Africa's perceived

inability to halt the insurgency that has crippled his country's chances of recovering from a deep economic decline.

Shortly before the agreement was signed, Mozambique officials say, South Africa permitted thousands of trained rebels to infiltrate Mozambique with supplies of arms and ammunition. But since then, South Africa has repeatedly asserted that it is no longer supporting the rebels, who say they seek to replace Mr. Machel's government with a more democratic one. Mr. Botha said Saturday that the South African authorities were trying to halt unofficial supplies to the insurgents.

Referring to the Mozambique authorities, Mr. Botha said, "It's clear to me that they are still very suspicious that Renamo is being supplied with arms and equipment from South Africa, Malawi, even Kenya." Renamo is the acronym of the rebel movement.

The South African police, he said, had established that a gang in Johannesburg had been printing counterfeit U.S. dollars and South African rand to pay for such smuggled goods as diamonds, emeralds and ivory from Mozambique. Mr. Botha added that perhaps aircraft bringing smuggled goods out of Mozambique were also flying in arms and other supplies for the rebels.

South Africa, he said, set up radar last week along the long border to monitor unscheduled flights.

Officials here have suggested that Portuguese and Brazilian-based figures are involved in continued support for the rebels, using relay points in Malawi and the Comoros Islands. There has been no explanation why South Africa's pervasive security police have been unable to detect unofficial supply lines starting in South Africa.

Mr. Botha and Defense Minister Magnus Malan flew to Maputo on Thursday to try to salvage the accord.

**■ Ex-Captives in Johannesburg**  
The Red Cross flew 27 prisoners freed by Angolan guerrillas to a tearful welcome in South Africa from friends and relatives. Reuters reported Saturday from Johannesburg.

The captives — 17 Filipinos, five Portuguese, three Britons and two Americans — had been seized by guerrillas of the National Union for the Total Independence of Angola, or UNITA, in raids on diamond mines in northeast Angola last year.

UNITA released them its headquarters at Jamba in southern Angola, and the International Committee of the Red Cross flew them to Johannesburg Airport. The five Portuguese were unexpectedly added to the group who were released, Red Cross officials said.



A community leader at Crossroads squatter camp in South Africa, Samuel Langa, holds the coffin of 6-month-old Amanda Faniso, who was buried Saturday, along with another infant and four adults. The families said that the infants died from inhaling tear gas during clashes with police last month at the squatter camp, near Cape Town. The others were shot.

## Hassan May Have Won Libya Gamble

Morocco Has Moved Closer to Qadhafi and Kept U.S. Aid

By Michael Dobbs  
Washington Post Service

**RABAT, Morocco** — On the eve of recent events, King Hassan II of Morocco has won a high-stakes political gamble: that he would be able to move closer to Libya without jeopardizing his country's close military and economic ties with the United States.

The Reagan administration was taken aback last August when Morocco, a conservative North African kingdom that traditionally has played a moderating role in Arab politics, signed a "treaty of union" with Colonel Muammar Qadhafi's Libya, viewed by Washington as a nation that encourages international terrorism.

There was talk in Washington of punishing King Hassan by cutting American military and economic assistance to Morocco, which has been embroiled in a costly, 10-year war against guerrillas of the Polisario Front in the Western Sahara.

Less than eight months later, Moroccan officials are congratulating themselves that no U.S. aid program has been adversely affected. The Reagan administration has signaled its intention to maintain good relations with Morocco by

dispatching a string of high-level emissaries to Hassan.

The United States was the only country to be represented at the annual feast of allegiance to the Moroccan throne earlier this month by three presidential envoys: Jesse J. Kirkpatrick, the chief U.S. representative to the United Nations, General Vernon A. Walters, her designated replacement, and Joseph V. Reed, the U.S. ambassador in Rabat.

The latest American gestures toward Hassan reflect both the U.S. view of the strategic importance of Morocco and the practical difficulties involved in carrying out the Reagan administration's policy of diplomatically isolating Colonel Qadhafi.

In the past year, the leaders of three West European countries allied to the United States — France, Italy and Greece — have had personal dealings with the mercurial Libyan leader.

Questioned about U.S. unhappiness with the Moroccan-Libyan treaty of union, Hassan replied sharply: "Before being a friend of the United States, I am first of all the king of Morocco."

Senior Moroccan officials argue that the main purpose of last year's

agreement with Libya was to strengthen Morocco's hand in its war against the Algerian-backed Polisario Front. Libya was once a major supplier of arms and funds to the Polisario guerrillas, who have set up their own Saharan Arab Democratic Republic.

By agreeing to the treaty of union, in practice a politically loose federation that allows for economic and cultural cooperation, Hassan has managed to tilt the regional balance of power in his favor. Until last August, Algeria seemed to be succeeding in its aim of outmaneuvering Morocco by concluding alliances with Tunisia and Mauritania.

Asserting that a "misunderstanding" with the United States over the treaty with Libya had been cleared up, Hassan said that "anybody can see that in the application of this agreement, neither Libya nor Morocco has given up their policies nor renounced their previous friendships."

Some political analysts in Rabat said the shock that Hassan produced in Washington by failing to give the United States warning of his opening toward Libya could have worked to his advantage here. It was seen as a way of demonstrating that, although his government is closely identified with the West, he is in no way an American puppet.

Moroccan officials made clear that the king intends to go through with the second stage of the treaty of union that includes the setting up of a joint secretariat and parliament. Hassan is expected to visit the Libyan capital, Tripoli, within the next few weeks.

Under a joint military protocol negotiated in 1982, the United States has the right to use two Moroccan air bases for its Rapid Deployment Force in the event of an international crisis such as a sudden flare-up in the Gulf. Moroccan beaches are used for joint military exercises involving both Moroccan troops and U.S. forces stationed in Europe.

Occupying a strategic position controlling the southern approaches to the Strait of Gibraltar, Morocco has opened its ports to visits by the U.S. fleet.



King Hassan II of Morocco, front right, visiting Morocco's Saharan defensive wall near Bou Craa for the first time.

Charles Z. Wick, director of the U.S. Information Agency, recently took formal possession of the site of a new transmitting station for the Voice of America in Tangiers. U.S. officials said it will be the largest such facility in the noncommunist world.

**■ Hassan Visits Front**  
King Hassan visited Morocco's front-line defenses in the Western Sahara on Saturday, near a spot where Polisario guerrillas said they killed more than 100 Moroccan troops in late February. Reuters reported from Rabat.

It was the king's first visit to the front line in the conflict with the Polisario Front, which is fighting Morocco for independence of the former Spanish colony.

Hassan inspected the line 25 miles (40 kilometers) south of the

phosphate mines of Bou Craa. He visited underground posts where electronic sensors monitor guerrilla movements in the desert, the local field headquarters and trenches and support bases.

## China Becomes Cautious In Its Policy on Change

By John F. Burns  
New York Times Service

**BEIJING** — After one of the most ambitious years of change China has seen since 1949, an air of caution has begun to set in, suggesting renewed opposition to the drive to free the nation's life from ideological rigidities.

In the past week, Deng Xiaoping, the 80-year-old pragmatist who has turned much of Mao Zedong's legacy upside down, has pulled in his horns. In a speech published earlier this month he called for a general attack on "capitalist thinking" and reminded people that whatever form the current economic changes might take, "the ultimate goal is to implement communism."

Abandoning the almost breezy tone he adopted on the matter five months ago, when he said that if some "capitalist stuff" got into the country, it could do little harm, Mr. Deng said at a conference on scientific work that the time for idle speeches was over.

"There are people who fear that China could become capitalist," he said. "This fear is not without foundation. We must address their concern in deeds, not just empty talk."

Since then, there have been speeches by his associates on a similar theme. In each case, the concern has been about Bo Yibo, one of Mr. Deng's closest allies, called "a new evil wind" — a wave of corruption that has accompanied the economic changes and was implicitly acknowledged by Mr. Deng in his speech as a threat to his program of relaxation.

The Chinese leaders insist that they will stand by the economic changes, which emphasize local initiative, some free enterprise and foreign investment. But signs of a

pullback in other areas have persuaded Western diplomats that the Deng group wants to pre-empt any opposition that may coalesce into a broad attack on the leadership and its policies.

If this interpretation is correct, there could be a chill as Mr. Deng fights to keep ahead of a "leftist" faction in the ruling Politburo that has not been at ease with his open-door policy.

Opponents last put him on the defensive with a "spiritual pollution" campaign in the fall of 1983, stirring zealotry that had vigilantes searching intellectuals' homes for foreign books and stopping women in the street to break the heels off their Western-style shoes.

Deng Xiaoping brought the campaign to a halt after a few months, and Deng Liqun, the party propagandist behind it, virtually disappeared. Last week, he was back in circulation, telling young people to take the crackdown seriously.

Not long before, a prominent "leftist" in the Politburo, Hu Qiaomu, was in Fujian Province telling workers that it was wrong to be seized with the spirit of "getting rich," which is precisely what Deng Xiaoping has urged.

What set off the latest alarm in the Deng Xiaoping camp was the upsurge of financial skulduggery among middle-level officials such as factory managers, army officers and local party and government officials.

Mr. Bo, who is the principal watchdog over matters of corruption and discipline, has spoken of an epidemic of officials setting up dummy companies to trade in state property, engaging in illegal foreign currency dealings, and taking kickbacks for handing out jobs, promotions and unearned wage increases.

Whenever a "leftist" wind blows in China, social and cultural life are early casualties, and so it has been this time. Two weeks ago, a decree proscribed the boom in lotteries, saying that they had "corroded people's minds" and encouraged the idea that it was possible to get rich without working for it.

The first signs of a crackdown on the Western-style dancing that has swept the country followed, with articles warning against disco dancing and other styles that involved "vulgar" movements.

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# INTERNATIONAL Herald Tribune

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## The 'New Soviet Man'

Mikhail Sergeyevich Gorbachev vows to get the Soviet Union moving again, even to produce a "profound transformation" by the year 2000. A bare five years after becoming the Politburo's youngest member, he is its undisputed leader. He promises to redesign the economy and "the entire system of social relations" so as "to enter the new millennium as a great and flourishing state." Better than the name, it's pronounced Goro-bah-CHAYFF.

In its ignorance about him, the world dwells on his age; he just turned 54. It is the only fact that even the Soviet people possess. How did this Stavropol party boss ascend to Moscow in a single leap in 1978? And how, while supervising agriculture in its most disastrous years, did he persuade the party's fading old men to leave him in charge of everything? The tale implies extraordinary gifts.

Mr. Gorbachev also dwells on his age. He knows that the Soviet people, who can vote only by registering their morale, yearn to be led out of stagnation. To a dispirited work force, he exudes energy and purpose. To a calloused bureaucracy, he emphasizes his staying power. To disillusioned Marxists, he pledges to revive the Soviet model, "not by force of arms but by force of example."

His age matters because he has the time to amass enormous power and to dominate the Soviet world for the rest of the century.

Age matters in another sense. Mikhail Gorbachev was a teen-ager in World War II and a law student when Stalin's terror ended. Neither disaster touched his career. In his formative years, the Soviet pendulum swung from Nikita Khrushchev's imperious but creative assault on backwardness to Leonid Brezhnev's stable but stony oligarchy.

Presumably that swing taught two great lessons: first, that the Soviet Union is a remarkably rich and resilient society, capable of enormous feats of survival and recovery. But second, that the centralized Soviet system keeps oscillating between an overbearing one-man rule and a stultifying collective that is dominated by massive bureaucracies.

Mr. Gorbachev's code words for the successful growth of the past and the unmet demands of the future are "extensive" and "intensive" development. By extensive development he means the past investments of land, capital and labor in extravagant amounts to boost production of grain and steel, to eradi-

cate illiteracy and major disease, to urbanize the nation and make it a military superpower. Though wasteful and often cruel, these methods brought dramatic results. But no longer.

For the post-industrial era, Mr. Gorbachev wants "intensive" development, meaning a burst of creativity shaped by modern management, science and technology. For despite huge annual investments, productivity and living standards have been declining. Farmers cannot feed the cities, or even their own livestock. Civilian industry cannot meet the demand for decent clothes and durables. Every factory bonus only increases the number of rubles chasing imported shoes or refrigerators.

The Soviet citizen, generally submissive to paternalistic government, has had only one way to rebel: by investing ever more time and money in private or illegal transactions.

Peasants struggle to open markets with the yield of their private plots. A fifth of the nation's crops and a third of its livestock come from that 3 percent of the land. City folks steal away from work to hunt necessities in the black market. Cooking and shopping are sheer drudgery for working women. And after a now-exhausted government effort to build low-cost housing, one family in five still must share a kitchen and bath with another. Even some Soviet analysts now dare to blame the system. It lacks free-market measures for goods and labor and thus destroys incentives, initiative and flexibility. And central planning, though it preserves political control, cannot cope with the tastes of 275 million consumers.

Mr. Gorbachev wants "questing and creativity, sensitivity to new phenomena and processes, the decisive eradication of formalism, red tape and idle talk." But can he permit decision-making to pass out of the party's control? Does he dare reduce excessive food subsidies and military budgets to invest in his high-technology vision? Can he take from the privileged elites to invigorate the masses?

The Bolsheviks born before the 1917 Revolution set out to provide so well that they would produce a "new Soviet man," cheerfully serving society and needing little government to coerce or inspire him. Now the boldest new Soviet man they could find inherits an authoritarian, sullen and woefully underdeveloped society. The vision and the system are no longer compatible. Which will be served?

—THE NEW YORK TIMES.

## Mubarak: A Needed Plunge Into Cold Diplomatic Waters

By Abba Eban

The writer, who was Israeli foreign minister from 1966 to 1974, is currently the chairman of the Knesset's Committee on Foreign Affairs and Defense.

TEL AVIV — Egyptian President Hosni Mubarak's recent proposals for direct talks between Israel and a joint Jordanian-Palestinian delegation do not bring an Arab-Israeli peace into early prospect, but they have at least induced mobility in what had been a frozen situation.

Since the signing of the Egyptian-Israeli peace treaty in March 1979, there has been no effective diplomacy in this part of the Middle East. Nothing good can come from continuing passivity. Experience proves that prolonged deadlock is more likely to explode into war than to evolve into peace. Mr. Mubarak has broken the barrier of a perilous silence.

The reappearance of Egypt in the center of the arena is in itself a significant gain. History, geography, demographic weight, military power, cultural influence and diplomatic seniority have all given Egypt the central place in Arab politics. It is the solid centerpiece of the Arab world. Without it the region falls into fragments. There was a tentative, marginal air about the diplomacy of the past five years, during which we groped for solutions while Egypt remained on the distant sidelines.

All major movements of Arab policy toward Israel since 1948, whether for war, armistice, conciliation or peace, have been initiated by Egypt. It is unlikely that there will be a breakthrough on Israeli-Palestinian relations if Cairo reverts to apathy and inaction.

It would be unfortunate if Mr. Mubarak's initiative, having been welcomed by Prime Minister Shimon Peres of Israel, were now to be eroded by Jordanian hesitations, Palestinian fundamentalism or a weakening of the Egyptian-Israeli peace treaty.

The virtue of the Egyptian president's formula lies in its simplicity — its practical proposal for a direct procedure under which Egypt, Israel, the United States and a Jordanian-Palestinian delegation would meet in Cairo or elsewhere. Mr. Mubarak, like Anwar Sadat before him, has broken out of the procedural maze in which we had wandered.

There has been a tedious process of "pre-negotiation" that has effectively prevented real negotiation. The parties have been subjected to a lengthy interrogation about what they would do if they reached the table.

Did they "accept" — as the faithful "accept" a theological dispensation — United Nations Security Council Resolution 242?

What did Israel mean by "secure boundaries," and what, if anything, did the Arabs mean when they spoke of a "just and durable peace"? Who recognized whom?

Did the Arabs recognize what has been described as "Israel's right to exist"? (As if the oldest of nations and one of the veterans of the modern community of sovereign states need to condition its "right to exist" on someone else's recognition.)

Who, apart from the Middle Eastern parties, would take part in the dialogue? Where would it take place and who would preside?

This exegetical exercise has rolled on for years, producing a vast documentary literature and some learned and monumentally useless doctoral dissertations. When an Egyptian leader proposes a compact, lean, operative formula — a direct proposal of a meeting — with a minimum of accompanying rhetoric, he helps us to breathe freely again.

If the complex issues in contention can be solved at all, they will be solved by the parties face to face in the course of negotiation, not in advance of it. Negotiation has a dynamic influence. It does not merely photograph existing positions; it often changes them. Egypt and Israel have achieved harmonies and balances that would never have come to expression without direct encounter.

President Reagan and his secretary of state, George Shultz, are quite right in insisting on such direct negotiation as a condition for playing a role. The Americans would help no one by playing intermediary. If the Palestinians cannot qualify for U.S. acceptance, they are hardly likely to be congenial for discourse with Israel.

It is up to President Mubarak and King Hussein of Jordan to grapple with the problem of forming a Jordanian-Palestinian delegation with which Washington and Jerusalem would find it possible to hold dialogue. And in the meantime, the substantive issues should be left for the negotiating table.

The Israeli government is committed to the letter and spirit of the Camp David accord in its relations with Egypt — and would undoubtedly follow that agreement in determining its negotiating positions with Jordan. But

there is no disposition in Israel today to demand Jordanian fidelity to Camp David as a condition for negotiation.

Camp David proposes autonomy as an interim device. It does not dictate any permanent solution. That is open to four-party negotiation — between Egypt, Jordan, Israel and the Palestinians.

There is ample ground here for a serious dialogue between Israel, Jordan and the Palestinians, with Egypt and the United States playing a catalytic role. There should be a sense of urgency. Options that are open today may be less so in the future. It is sometimes necessary to plunge into cold water without testing the temperature endlessly in advance. It will not become warmer and more inviting with the passage of further time.

Egypt's role is enhanced, above all, by the courage and decisiveness of its decision for peace five years ago. Israelis, in particular, must understand the weight and meaning of this — for it must serve as a motive for further concession and compromise.

Nations do not give up solid positions to move onto shifting sands. The absence of commercial, cultural and, above all, human relations between Israelis and Egyptians is today a needless obstacle to negotiation on other issues. Mr. Mubarak may have learned in Washington and elsewhere that action by him in this domain would help significantly to encourage progress toward a regional settlement. He has already done much for those on every side of the Middle Eastern spectrum who prefer movement toward peace to an illusory "stability."

The New York Times.

## Gorbachev Unsettles Washington

By Stephen S. Rosenfeld

WASHINGTON — Moscow after Chernomir is bound to be a lively place. Washington after Chernomir is more subdued. The town is a bit on edge, waiting to feel out Mikhail Gorbachev, and sensing in the accession of a younger and more vigorous man — one who is going to be around for a while — that something important in the whole Soviet-American equation has changed.

So it has. The easy life is over. Even while the Reagan team complained that the Kremlin's turnover and deceptively denied the United States an interlocutor, it enjoyed the fact and appearance of weak Soviet leadership. The Soviet political system, by keeping a series of dying old men in high office, was proving the administration's basic ideological contention that communism is bankrupt — a system run by a selfish elite and fit only for the ashheap of history, as President Reagan put it. A system that can elevate a 54-year-old comar may be no less bankrupt, but one cannot prove it so easily.

Meanwhile, three Soviet successions in 28 months have drawn American attention from the ostensibly permanent and determining essences of the Soviet system to the personal variables of its leaders. There are certain comforts in dealing with a known system, no matter how bankrupt and "evil" you believe it to be. These have been replaced by the uncertainties of dealing with a particular person, Mr. Gorbachev, who, even before he has done anything, has been endowed with a capacity to do more than his recent predecessors.

It is worth recalling the quiet little jolt that Yuri Andropov gave Washington when, taking over from Leo-



nid Brezhnev, he threw out some hints of flexibility in a few sticky foreign-policy areas and launched a campaign of anti-corruption and workplace discipline. Andropov lasted only for a few months, but the point is that, for all the wanted immobility of the system, there is always room for initiative, for quick fixes by the new man on the scene.

There is also room for darker clouds to spread across the U.S. scene. Budget deficits pushing past \$200 billion and trade imbalances pushing toward that level have provoked widespread fears — though not, evidently, in the Oval Office — of economic redistribution. This could take some of the edge off the administration's easy assumptions of the nativeness of U.S. progress and the superiority of the American way.

The Soviet change, moreover, costs Mr. Reagan overnight a subtle psychological advantage that has flowed from past comparisons of Soviet and American leadership. He has been, by and large, the bright exception to

the rule of fading 70-year-olds. Now he may be seen as a man who is rather old for his job, faced by a man of appropriate years.

But there is more. Just a few days ago, the administration appeared to itself, certainly — to be in a position of hand-won and unprecedented advantage. Technologically, economically and politically, it was on a roll, entering a critical forum — the Geneva talks — at a moment when the Soviet Union was lagging, though far from crippled, in all those categories. In nearly 20 years Washington had not come up to a negotiation with more reason for confidence.

Broadly, its choice was whether to step on the gas and attempt to set the evident American advantage in strategic concrete, with an agreement if possible, without one if necessary, or whether to throttle back a bit and offer Moscow an arrangement that, if it "took," would reflect a certain rugged but agreed parity and would head in the direction of a general settling down. The administration's determi-

nation to push "star wars" to the hilt seemed to point to the first choice.

If there were reason to question the administration's approach earlier, there is further reason now that Mr. Gorbachev has arrived. Any American inclination to take advantage of Soviet troubles needs to be measured against the possibility that Moscow's troubles may not be that disabling.

In the 1970s, Arnold Horelick observes, the United States was distracted, the Soviet Union got greedy, and this produced an American backlash: Ronald Reagan.

It could happen in reverse, he warns, adding: "Don't kick a superpower when it is down." With the measure of change now possible in Moscow, that warning must be updated a bit: Don't kick a superpower when it may be getting up.

I do not see that the Reagan administration has yet come to this sort of review. But it does seem to me the main task that Mr. Gorbachev's promotion poses to Washington.

The Washington Post.

## The Spirit Of Geneva: 1917-1985

By James Reston

GENEVA — From one generation to another, Geneva always seems to look the same. It is a safe deposit box, as orderly as its cloud mountains shut out the sufferer world. Its lake is as placid and sure as its swans — with John Calvin church on one side of the water at Woodrow Wilson's Palace of Peace on the other.

But the Spirit of Geneva changes from time to time. Now the representatives of the nuclear giants are arguing about the balance of military power, discussing the possibility of war in the stars before they have their promises to maintain peace.

Earth, and speculating on the fun of the new man in the Kremlin rather than on the future of mankind.

The Spirit of Geneva in Woodrow Wilson's time was quite different. His address to the Senate on Jan. 1917, he asked:

"Is the present war a struggle for just and secure peace, or only for new balance of power...? There must be, not a balance of power, but a community of power; not organizations, but an organized common peace... a peace among equals."

The U.S. and Soviet governments and their officials here are not talking in such philosophical terms but mathematical terms about numbers of missiles and throw weights of "stealth" bombers.

It can and should be argued that was not a balance of power but the absence of that balance that led to two world wars of this century; that is clearly the view of the press governments in Moscow and Washington. So their answer to most of their political conflicts is more war in the Middle East, Latin America, Europe or Africa.

And yet it may have been intellectual failures that led to the tragedy of the two world wars and to the tangle of Korea, Vietnam and the Middle East.

The Allies thought the Kaiser's Germany was such a menace that they fought him to the point of unconditional surrender and in the process helped the rise of Nazism.

Germany, fascism in Italy and communism in Russia.

They also overestimated the Chinese-Soviet alliance in Korea and underestimated the power of nationalism in China and the religious opposition to the West in the Middle East, trusting to their modern arm.

The Russians have made the same mistake with China. Afghanistan is maybe in the end in Eastern Europe where they thought their military power would triumph in the short run; but where, with the extension, modern communications across the Iron Curtain, they may very well be up as the last of the failed empires.

The Spirit of Geneva at the end of the First World War was best described by Paul Valéry, the French poet and philosopher, in 1933.

"The most just and serious criticism which in my opinion can be leveled against the League of Nations," he said, "is that it was a constituted first as a League of Minds. The League brings together individuals who represent an historical system of rivalry and discord. It brings to Geneva the best will in the world, but, along with it, a burdened mental reservations and the inevitable habit of wanting to gain an advantage at somebody else's expense."

This, of course, is precisely what occurring here now as Max Kamp, man of the United States and Viktor Karpov of the Soviet Union smile at the photographers and agree on "the principle of confidentiality."

They are hung up on the Cold War propaganda and instructions of the governments, and this is not likely to change unless Mikhail Gorbachev and Ronald Reagan and their foreign ministers, Andrei Gromyko and George Shultz, finally decide to this about the treaties they have already signed rather than the ones they may sign sometime in the future.

The promises are clear in the Charter of the United Nations, here on the walls of the Palace of Peace: "I refrain from the threat or use of force... to settle their international disputes by peaceful means." This was the original Spirit of Geneva.

The New York Times.

## How About a Tariff?

As the U.S. Congress desperately tries to bring the budget deficit down, the delectable idea of taxing foreigners begins to shimmer on the horizon. How to tax them? By collecting large duties on the goods they sell to Americans. Imports last year came to \$340 billion, and a tax of, say, 20 percent would raise a swiftness sum of money. As the case for this gigantic tariff goes, the foreigners selling these goods are making high profits because of the dollar's high exchange rate, and thus would be glad to absorb the tariff without raising their prices. An inviting proposition, no?

No. This is a poisonous idea that promises real damage to the American economy. But it is seductive, and it is beginning to circulate widely in Washington. In response, the Institute for International Economics convened a group of politicians and economists recently to examine the proposal. One conclusion that emerged was that the consequences of a high U.S. tariff would be extremely unpredictable. The costs, and where they might actually lie, cannot be calculated reliably.

As the proposal is now circulating, with no very clear sponsorship, it calls for a tax on imports at 20 percent for one year, fading away to zero over the following two years. The logic is that the temporary character of the tax would induce foreigners to pay it rather than

passing it on to their American customers. But as logic goes, that is pretty poor. If the tariff were understood by everyone to be temporary, no one would have any reason to adjust to it. After three years the country would be back where it began, with U.S. trade as far out of balance as ever, the revenues gone, and the budget deficits still gaping.

Applying the tariff indiscriminately to all imports would be, in any case, impossible. It would be a wanton act, amounting to a declaration of economic war, to levy it on goods coming from Canada and Mexico, whose economies are deeply intertwined with the U.S. economy. It would be unconscionable to levy it on developing countries. For the best of reasons the list of exemptions would have to be long, and it would grow rapidly.

If a temporary tariff is a delusion, how about a permanent tariff? That points to a path the United States has traveled before. When Franklin D. Roosevelt was running for president in 1932, he denounced the Smoot-Hawley Tariff of 1930 as a major contributor to the Depression. He was right about that. Current developments keep reminding one that there is now a generation of politicians who do not remember the Depression and how the world fell into it.

—THE WASHINGTON POST.

## Other Opinion

### The Enduring Soviet System

With Mr. Gorbachev, another type of leader rises to the top — cultured, more disposed to accept change, more open to the world. But it matters little. Mr. Chernomir was barely seen for almost a year, but the war in Afghanistan continued, worsened even, and the deployment of SS-20 missiles went on uninterrupted. At the top of the Soviet Union is a new man, but the Soviet system remains.

—Gazet van Antwerpen (Antwerp).

### Papandreou's High-Wire Act

So far, [Andreas] Papandreou's bark has proved worse than his bite. The Greek prime

minister has sailed at Washington, NATO and the European Community, disrupted delicate community agreements and threatened worse, but signed a five-year extension of the agreement for U.S. military bases, permitted port visits by the 6th Fleet and insisted, recently, that he has no intention of quitting the alliance. He has seemed like a high-wire artist without an umbrella — thrashing the air to keep balance, perhaps driven to some of his more outrageous statements by internal party pressures, most likely from the left. His record is littered with gratuitous comments and abrasive positions. But responding to Mr. Papandreou in kind only seems to raise the risk of more bark with more bite.

—The Los Angeles Times.

## FROM OUR MARCH 18 PAGES, 75 AND 50 YEARS AGO

**1910: Roosevelt Praises a New Sudan**  
KHARTOUM, Sudan — In a speech at the Sudan Club [on March 16], former President Theodore Roosevelt paid a warm tribute to the work of British officials in the Sudan. Nothing on his African trip, he said, had impressed him so much as the marvelous change in the Nile Provinces during the last twelve years. Great Britain, by undertaking the task of civilizing a country laid waste by a tyranny, had proved herself true to her great imperial traditions. No country was fit to be called great which hesitated to do work for mankind. He referred to his own efforts regarding the Panama Canal and spoke humorously of the opposition to him when he started on his trip and when Wall Street hoped that "every lion might do its duty," but said he had come through safe.

**1935: Hitler Reinstates Conscription**  
BERLIN — For the first time since 1914, the pre-war military pomp of Germany was reviewed in the square in front of the former Kaiser's palace [on March 17] when Adolf Hitler held a review of all the units of the Reich army that he has once more put on a basis of universal compulsory military service. It was a double ceremony, Nazi Germany observing a day of mourning for 2,000,000 war dead, as well as a day of rejoicing over the rebirth of the old military system. At a memorial service, General von Blomberg, Minister of War, repudiated the charge that Germany was animated by aggressive motives in restoring conscription. "We Germans," he said, "need no revenge. Europe has become too small for a battlefield for a second World War."

## Papandreou: Substance Behind His Shadow Play

By Panayote E. Dimitras

NEW YORK — The resignation last week of Greece's president, Constantine Caramanlis, after he had, in effect, been pushed out of office by Prime Minister Andreas Papandreou, raises troubling questions about the political future of Greece.

Many Americans are confused and unsettled by Mr. Papandreou's anti-Western rhetoric. What they do not understand is that he is — and has to be — a skillful tightrope walker.

Greece, dependent for its survival on military aid and private investment from the West, must adopt a practical, Western-oriented policy. Yet Athens must pursue such cooperation cautiously so as not to stir up deep currents of anti-Western opinion among the Greek people.

The Papandreou line is not mere sloganeering but reflects genuine and widely held nationalist beliefs that cannot simply be ignored. Unless addressed quickly, and with understanding, they could pull Greece out of the Western camp.

A series of public opinion polls taken by the Greek firm Eurodim from 1982 to 1984 show Greek public opinion to be deeply hostile to the West. Only one-third of respondents wanted Greece to be closely associated with Western Europe, to continue as a full member of the European Community or to improve relations with the United States. Only about one-fourth approved of full membership in the North Atlantic Treaty Organization or supported keeping U.S. bases in Greece.

Only one-fourth held a favorable view of the

United States — compared with the one-third that regarded the Soviet Union positively. A slight majority perceived the United States as a threat and only one-fourth agreed with the installation of U.S. intermediate-range nuclear weapons in Western Europe.

These results do not, however, imply that the Greek public is pro-Soviet. What they suggest is nationalist opposition to close ties with both East and West. As one leading member of the Socialist Party noted in 1982 "a form of Finlandization... would suit Greece fine."

To be fair, four times as many Greeks favor forming close ties with the West as favor such ties with the East. And on social and cultural matters, most Greeks welcome heavy Western influence: blue jeans, rock music, American cigarettes and television shows are as popular in Greece as elsewhere in Europe. The anti-Western feeling is primarily political, though it has broader ramifications. The strains of anti-Semitism in Greek public opinion, for example, are part and parcel of Greece's historical antipathy toward the West.

So is the strong anti-capitalist sentiment, reminiscent of some Third World ideologies, recorded in several Greek public opinion polls.

Against this background, Mr. Papandreou and his party have excelled as tightrope walkers. Three years after they came to power, in 1981, the Greek public considered them more success-

ful in foreign policy than in any other field — despite the fact that they have not fulfilled a single one of their anti-Western promises to withdraw from NATO and the European Community or to remove U.S. bases and nuclear weapons from Greece.

The subject of American bases has long been a particularly contentious issue. Yet despite his original promises, Mr. Papandreou has not set a timetable for their withdrawal. He has not "asked for the possibility of annual review or termination." Nor has the United States had to submit to his demands for Greek security — particularly the demand that Washington give Athens the same amount of arms it gives Ankara.

Mr. Papandreou does behave like the prodigal son of the West. This may not, however, be as much of a problem as it seems. Certainly, it is better than the alternative (the only one open to him so long as he wants the support of the public and lacks the means to re-educate it): a total break with the West.

The State Department and the European foreign ministries thus have little choice but to understand and acquiesce in Mr. Papandreou's shadow play. At the same time, they should make every possible effort, in cooperation with the moderates in his government, to minimize the estrangement of this "prodigal son."

The writer is a director of Eurodim, a polling firm in Athens. This article was adapted for The New York Times from Foreign Policy.

## LETTERS TO THE EDITOR

### Not Just Swift Wit

I hold membership in the Oxford Union, where I attended the recent debate between the Reverend Jerry Falwell and the prime minister of New Zealand, David Lange. I must protest Barton Gelman's misleading account of the debate ("Lange Outscorers Falwell at Oxford," March 4) on whether nuclear arms are morally indefensible.

The debate, though punctuated with frequent verbal parries from both sides in the contest, did not, as Mr. Gelman claims, turn on "swiftness of wit," but rather on serious points received with serious attention. The audience did not frivolously belabor Mr. Falwell for his "earnest anti-communism." In fact, no speaker sought to deny the superior-

ity of Western values or the right to defend ourselves against Soviet aggression. Students decried Mr. Falwell precisely because he attempted to make those propositions the issue at hand, skirting the morality of defense through the threat of possible world destruction.

BRUCE L. MURRAY.

Oxford, England.

### Punts and Spuds

Regarding "In Ireland, Twilight of the Spuds" (Weekend, Feb. 15):

Fred Ferretti's excellent description of champ, boxty and other delights of Irish haute cuisine made my mouth water and nostalgic tears appear in my eyes.

However, he mislaid in suggesting that such a dish would, in the Crown

Bar in Belfast, not cost more than an Irish pound or two: The Crown Bar, as its name suggests, is situated in British Northern Ireland, where Irish pounds are not legal tender.

This is not for any political reason, but simply because the Irish "punt," having abandoned its parity with the pound sterling, has sunk to 75 percent of its former value. Dubliners no longer accept English pounds, and Belfasters no longer take punts, and more's the pity.

It should be mentioned that the Crown is one of the few pubs in Ireland to have maintained its "snugs" — private booths with bell-pull water service, originally designed so that executives could discreetly entertain their secretaries.

Willie Robinson's, next door, has them too. Much of the 1946 movie

"Odd Man Out" was filmed in The Crown, and it helped young James Mason to achieve fame.

SIMON FOWLER.

Marbella, Spain.

### The Envoy's Qualifications

Regarding "Find-Raiser for Reagan May Be Envoy to France" (March 8):

Will J.M. Rogers, touted as the new American ambassador to Paris, appoint a U.S. Foreign Service officer to run his construction business in Nashville while he is abroad? Or would he prefer to borrow a French man, well-qualified otherwise but unable either to read or speak the American language? The answers to both questions are self-evidently negative.

JOHN LIMOND HART.

London.

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هذا من الأخبار

EUROBONDS

Mismatched-Coupon FRNs Dominate a Busy Market

By CARL GEWIRTZ  
International Herald Tribune

PARIS — A whopping \$2.4-billion worth of floating-rate notes were launched in the Eurobond market last week. More than half were based on the mismatch of coupon settings, which offers investors potentially large profits if they can establish new optical lows in rising costs.

Sankof Bank, Banque Bruxelles Lambert, Banque Nationale de Paris and Malaysia marketed \$1.1 billion bearing no margin or the interbank rate. The coupons of Bruxelles Lambert and IP will be set at the London interbank bid rate, or Libid, which is 1/4 point below the London interbank offered rate, or Lor.

Den Norsk Creditbank and Sweden went a step further and set their coupons at 16 point below Libid — the interbank rate — and a further 1/4 point below Lor.

Currently, even the DNC and Swedish notes look attractive thanks to the historically wide spread of some 100 basis points (or 1 percentage point) between one- and six-month interbank rates.

The mismatch formula allows investors to capture the profit made from this differential as the six-month coupon on the notes is reset monthly.

Thus, an institution borrowing funds at the one-month offered rate of 9 1/2 percent to finance the purchase of the notes would earn 1/16 percent on the DNC or Swedish paper. (The profit of 1/16 point, or 93.75 basis points, would be reduced by some 20 basis points resulting from the fact that the borrowing costs are set monthly while the income is received semiannually.)

Of course only banks or institutional investors are capable of borrowing at the interbank rate — a fact which serves to highlight the total dominance of the market by these professional investors and the near disappearance of retail customers.

FRNs are the traditional "safe harbor" investors seek when the interest-rate outlook is as uncertain — as it currently is — and the mismatch formula, which currently produces such big profits, is a reason more for banks which are desperate to increase profits, earnings and their capital base.

Institutional investors could always engage in mismatching maturities on assets and liabilities. While prudent management could restrict how far trading desks could go in this direction, the mismatched FRN removes some — although certainly not all — of the inherent risk.

Traditionally, the major danger was that if short-term rates suddenly soared, the one-month cost of funds could have exceeded the income earned from a coupon tied to the six-month rate.

The mismatch formula of monthly setting of six-month coupons raises this danger, so that as rates rise the cost of funding and the income earned climb more or less in tandem.

But two risks remain: the spread between the one- and six-month rate could disappear, totally erasing the mismatched profits; or, even worse, the normal yield curve (which has short-term funds the cheapest) could invert and one-month financing costs could exceed even the monthly reset six-month rate. (The very first mismatched notes covered this risk by providing the coupon would be set at the highest rate, but that protection is no longer offered.)

Inversion is rare, a generally short-lived phenomenon associated with financial crisis.

However, the spread between one- and six-month rates — currently so attractive — should be a constant concern as it is volatile.

Data provided by Salomon Brothers shows that over the past five years, the spread has ranged from a high of 200 basis points to a negative low of minus 369 basis points (a period of inversion in 1980) and has averaged 33 basis points. In other words, the current 100 basis points spread looks suspect.

Nevertheless, new issues are launched and gobbled up based (Continued on Page 11, Col. 1)

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Last Wk.	Prev. Wk.	% Chg.
J. Index	1,247.39	1,249.44	-1.22
J. Ind.	1,247.39	1,249.44	-1.22
J. Trans.	1,247.39	1,249.44	-1.22
S. P. 500	1,247.39	1,249.44	-1.22
NYSE	1,247.39	1,249.44	-1.22

Money Rates

United States	Last Wk.	Prev. Wk.	% Chg.
Discount rate	8	8	0
Federal funds rate	8 1/4	8 1/4	0
Prime rate	10 1/2	10 1/2	0
Japan			
Discount	5	5	0
Call money	6 1/2	6 1/2	0
60-day interbank	6 1/2	6 1/2	0
West Germany			
Lombard	6.00	6.00	0
Overnight	6.00	6.00	0
1-month interbank	6.25	6.25	0
Britain			
Bank base rate	14	14	0
Call money	14 1/4	14 1/4	0
3-month interbank	13 1/4	13 1/4	0

Long Term

United States	Last Wk.	Prev. Wk.	% Chg.
10-year	12.48	12.47	+0.01
30-year	12.48	12.47	+0.01
Japan			
10-year	12.48	12.47	+0.01
30-year	12.48	12.47	+0.01

West Germany

United States	Last Wk.	Prev. Wk.	% Chg.
10-year	12.48	12.47	+0.01
30-year	12.48	12.47	+0.01
Japan			
10-year	12.48	12.47	+0.01
30-year	12.48	12.47	+0.01

Currency Rates

Rate interbank rates on March 15, excluding fees.

Official fixings for Amsterdam, Brussels, Frankfurt, Milan, Paris, New York rates of P.M.

	\$	£	D.M.	F.F.	It.L.	Gldr.	B.F.	S.F.	Yes
sterling	3.848	1.137	14.155	37.453	1.7794	17.742	5.629	132.98	147.50
sterling(a)	68.37	74.53	20.10	4.852	—	—	—	23.91	24.91
sterling(b)	1.085	2.459	—	22.725	1.984	88.345	4.974	117.47	1.304
sterling(c)	1.085	—	1.6885	11.744	2.305.00	4.1383	74.30	3.1153	282.35
sterling(d)	2.137.20	2.304.30	6.29.80	20.068	—	537.25	31.392	74.115	8.224
sterling(e)	1.183	2.322	10.33	2.130.60	2.827	67.37	2.887	2.961.9	—
sterling(f)	18.392	11.772	1.0546	—	4.825.25	15.264	3.3953	3.961.9	—
sterling(g)	2.60.80	2.88.17	77.57	25.22	12.32	4.94	382.60	90.54	—
sterling(h)	2.86.15	2.12.94	85.235	27.89	0.1352	75.315	4.2945	—	1.1073

Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277  
Prices may vary according to market conditions and other factors.

Am	Security	%
\$ 25	Threats Against Capitol	75.7

[illegible]

**AUSTRALIA**

[illegible][illegible][illegible]

\$ 150	Denmark	KW	134	18 Jan	1954	12.21	11.77
cn5 120	Denmark		172	19 Apr	1954	12.34	11.77
\$ 20	Denmark		12	18 Oct	1954	12.34	12.00
\$ 100	Denmark		79	30 Jun	1955	11.25	12.67
ecw 75	Denmark		112	10 Jan	1957	12.54	12.11
\$ 140	Denmark		159	11 Mar	1958	10.65	10.50
\$ 100	Denmark		13	11 Mar	1958	10.65	12.31
\$ 100	Denmark		13	11 May	1958	10.85	12.54
\$ 100	Denmark		134	11 Jul	1958	12.75	13.22
\$ 100	Denmark		134	11 Sep	1958	12.75	13.22
yn 100	Denmark		124	22 Jan	1959	11.75	12.67
\$ 100	Denmark		13	22 Jan	1959	12.75	12.87
\$ 250	Denmark		124	22 Feb	1959	12.91	12.95
nkr 250	Denmark		99	22 Mar	1959	9.79	9.66
\$ 100	Denmark		1119	27 Apr	1959	12.46	12.41
\$ 100	Denmark		1119	27 Apr	1959	12.46	12.41

## HIGHEST YIELDS

### to Average Life Below 5 Years

\$29	Colombia	84	Nov	Feb	\$26	14	20.44	
\$30	Venezuela	86	Nov	Oct	\$26	13	19.22	
\$31	Costa Rica	87	Nov	Oct	\$26	13	19.02	
\$32	Ward Foods O/S/Combo	54	Nov	Nov	\$27	13	16.97	12.65
\$33	Continental International	87	Nov	Mar	66	12	12.99	14.71
\$34	Venezuela Telephone	87	Nov	Oct	\$27	12	12.88	14.64
\$35	Ward Foods O/S/Combo	54	Nov	Nov	\$27	12	12.68	14.44
\$36	Reliance Transportation	44	Nov	Feb	28	12	12.88	14.46
\$37	General Cable O/S	87	Nov	Mar	71	13	12.88	14.46
\$38	Comcast/Cable	87	Nov	Mar	71	13	12.88	14.46
\$39	Chenier Communications	87	Nov	Mar	71	13	12.88	14.46
\$40	Chenier Communications	87	Nov	Mar	71	13	12.88	14.46
\$41	Chenier Communications	87	Nov	Mar	71	13	12.88	14.46
\$42	Chenier Communications	87	Nov	Mar	71	13	12.88	14.46
\$43	Chenier Communications	87	Nov	Mar	71	13	12.88	14.46
\$44	Chenier Communications	87	Nov	Mar	71	13	12.88	14.46
\$45	Chenier Communications	87	Nov	Mar	71	13	12.88	14.46
\$46	Chenier Communications	87	Nov	Mar	71	13	12.88	14.46
\$47	Chenier Communications	87	Nov	Mar	71	13	12.88	14.46
\$48	Chenier Communications	87	Nov	Mar	71	13	12.88	14.46
\$49	Chenier Communications	87	Nov	Mar	71	13	12.88	14.46
\$50	Chenier Communications	87	Nov	Mar	71	13	12.88	14.46

### HIGHEST YIELDS

to Average Life Above 5 Years							
\$ 50	Dome Petroleum	78	% Jul	2497	15.97	16.83	12.62
\$ 58	Hedberg Sys	78	% Feb	103	13.62	14.81	12.45
\$ 59	Continental	78	% May	103	13.62	14.81	12.45
\$ 59	EBR Energy Invest	87	% Dec	79	22.34	24.14	11.23
\$ 100	Steel Eurus Coal & Steel	95	% May	91	23.03	24.97	11.31
\$ 103	Herman Kommunisten	95	% May	91	23.03	24.97	11.31
\$ 103	Smith Barney	95	% Dec	91	23.03	24.97	11.31
\$ 103	Mexico	95	% Dec	91	23.03	24.97	11.31
\$ 103	Neomintin Broed	95	% Mar	91	23.03	24.97	11.31
\$ 103	United States	95	% Mar	91	23.03	24.97	11.31
\$ 103	Rochechill Inc Holdings	147	% May	104	13.36	13.36	13.36
\$ 115	EBR Energy Invest	87	% Jul	96	22.44	24.27	11.23
\$ 115	Royal Bank of Canada	12	% Feb	91	23.03	24.97	11.31
\$ 115	Royal Bank of Canada	12	% Feb	91	23.03	24.97	11.31

### —HIGHEST CURRENT YIELDS—

5 173	Africa	18 70	100	14.60	14.62
5 175	Perman. Political Missions	18 70	100	14.60	14.62
5 176	UN Office at Paris	18 70	100	15.45	15.47
5 178	Northern Indiana Panel	17 68	100	15.45	15.51
5 179	Chile-Indian Puncta	17 71	100	14.67	14.67
5 180	Western Frontiers	17 71	100	14.67	14.67
5 184	Brit Columbia Appeal	17 70	100	13.10	13.10
5 185	TransCanada Pipeline	17 68	100	13.19	13.26
5 186	TransCanada Pipeline	17 68	100	14.59	14.59
5 189	Cities Service Corp	17 68	100	15.51	15.51
5 190	Western Frontiers	17 71	100	14.67	14.67
5 191	General Motors Accept	18 70	100	15.53	15.53
5 192	Hudson Bay	18 70	100	15.43	15.43
5 193	Canadian Pacific	17 68	100	14.45	14.45
5 194	Quebec Province	18 70	100	14.45	14.45

\$100	Denmark	12% '93 Dec	97½	12.71	72.56
\$15	Carlsberg-Tuborg	9% '86 Apr	99	10.84	72.08
\$10	Copenhagen City	9 '85 Oct	99½	9.77	9.77
\$10	Copenhagen City	9 '85 Oct	97	10.73	10.73

\$25	Copenhagen City	6/6	30	Apr	91	11.58	14.1	7.14
\$25	Copenhagen County Aut	7/6	30	Apr	91	11.28	12.28	8.34
\$25	Copenhagen Telephone	9	13	Apr	100	8.64	8.64	9.80
\$15	Copenhagen Telephone	8/6	30	Feb	96	10.94	11.94	8.82
\$25	Copenhagen Telephone	8/6	30	Feb	96	10.97	14.03	10.32
\$12	Århus Bank Denmark	4/6	15	Jan	91/4	10.67	12.15	6.49
\$25	Århus Bank Denmark	7/6	31	Jan	97	10.99	12.93	8.62
\$25	Århus Bank Denmark	13	33	Jan	91	12.77	12.77	12.85
\$12	Privatbanken	14/6	28	Aug	102 1/2	14.32	14.13	14.13
ecu 40	Privatbanken	11/4	97	Oct	104	10.26	10.62	10.62

**FINLAND**

\$100	Finland	9/9	16	Mar	97	11.68		9.60
\$26	Finland	15/6	33	Aug	107	12.22		14.25

5.50	Cadotte Nat	Autosaves	9/9 '77	Mar	80	12.41	14.25	1.14
5.125	Cadotte Nat	Cred Agric	1/14 '70	Jun	89	12.52	12.52	0.00
5.125	Cadotte Nat	Cred Agric	3/15 '75	Apr	89	12.52	12.52	0.00
5.125	Cadotte Nat	Cred Agric	1/16 '76	May	89	12.49	12.49	0.00
5.100	Cadotte Nat	Everette	1/24 '71	Apr	80	12.50	12.50	0.00
crs-58	Cadotte Nat	Everette	1/24 '71	Feb	80	12.22	12.22	0.00
ecu-30	Cadotte Nat	Everette	1/24 '71	Mar	80	12.24	12.24	0.00
5.100	Cadotte Nat	Telecomm	9/9 '76	Jun	87	11.44	17.46	6.12
5.75	Cadotte Nat	Telecomm	8/16 '79	Oct	91	10.83	12.32	1.49
1.20	Cadotte Nat	Telecomm	1/24 '79	Oct	84	11.11	11.11	0.00
5.100	Cadotte Nat	Telecomm	1/24 '72	Jan	89	10.45	11.33	0.88
5.125	Cadotte Nat	Telecomm	9/ '72	Mar	85	12.44	12.44	0.00

015 40	Charbonnages Franç	11/96	95 Jan	76	12.50	12.50
3 75	Cie Bancaire	12/96	90 Jun	103	12.01	12.01
5 100	Cie Fia De Portbos	13/96	89 Sep	204	72.62	72.62

[illegible]

\$125	Electricite France	10	28 Jul	95	11.27	10.5
\$100	Electricite Franc X/w	14%	29 Apr	106%	12.32	12.5
\$100	Electricite France	71%	30 May	75	12.32	11.5
\$100	Electricite France	11%	30 May	82%	12.32	11.5

[illegible]

ft 100	Port-A-Mousson	7½	87 Aug	99	12.54	13.85	8.3
648	Port Authorities	9	'91 Nov	88	11.66	12.30	10.2
ecu 48	Reg Auto Transn Paris	10½	'92 Apr	102	18.45	18.41	10.6

[illegible]

\$ 75	Best Finance Europe	11/4 '87 Nov	97 1/2	12.34	11.5
\$ 150	Best Finance Europe	9/4 '88 Feb	93	12.23	10.6
\$ 165	Best Overseas X/w	11 '88 Mar	98	11.83	11.3

8.159	Star Hamburg Bank	745	79	92	11,58	0,67
8.160	St. Ingberter Bank	100	100	100	10,00	0,00
8.161	St. Ingberter Bank	100	100	100	10,00	0,00
8.162	St. Ingberter Bank	100	100	100	10,00	0,00
8.163	St. Ingberter Bank	100	100	100	10,00	0,00
8.164	St. Ingberter Bank	100	100	100	10,00	0,00
8.165	St. Ingberter Bank	100	100	100	10,00	0,00
8.166	St. Ingberter Bank	100	100	100	10,00	0,00
8.167	St. Ingberter Bank	100	100	100	10,00	0,00
8.168	St. Ingberter Bank	100	100	100	10,00	0,00
8.169	St. Ingberter Bank	100	100	100	10,00	0,00
8.170	St. Ingberter Bank	100	100	100	10,00	0,00
8.171	St. Ingberter Bank	100	100	100	10,00	0,00
8.172	St. Ingberter Bank	100	100	100	10,00	0,00
8.173	St. Ingberter Bank	100	100	100	10,00	0,00
8.174	St. Ingberter Bank	100	100	100	10,00	0,00
8.175	St. Ingberter Bank	100	100	100	10,00	0,00
8.176	St. Ingberter Bank	100	100	100	10,00	0,00
8.177	St. Ingberter Bank	100	100	100	10,00	0,00
8.178	St. Ingberter Bank	100	100	100	10,00	0,00
8.179	St. Ingberter Bank	100	100	100	10,00	0,00
8.180	St. Ingberter Bank	100	100	100	10,00	0,00
8.181	St. Ingberter Bank	100	100	100	10,00	0,00
8.182	St. Ingberter Bank	100	100	100	10,00	0,00
8.183	St. Ingberter Bank	100	100	100	10,00	0,00
8.184	St. Ingberter Bank	100	100	100	10,00	0,00
8.185	St. Ingberter Bank	100	100	100	10,00	0,00
8.186	St. Ingberter Bank	100	100	100	10,00	0,00
8.187	St. Ingberter Bank	100	100	100	10,00	0,00
8.188	St. Ingberter Bank	100	100	100	10,00	0,00
8.189	St. Ingberter Bank	100	100	100	10,00	0,00
8.190	St. Ingberter Bank	100	100	100	10,00	0,00
8.191	St. Ingberter Bank	100	100	100	10,00	0,00
8.192	St. Ingberter Bank	100	100	100	10,00	0,00
8.193	St. Ingberter Bank	100	100	100	10,00	0,00
8.194	St. Ingberter Bank	100	100	100	10,00	0,00
8.195	St. Ingberter Bank	100	100	100	10,00	0,00
8.196	St. Ingberter Bank	100	100	100	10,00	0,00
8.197	St. Ingberter Bank	100	100	100	10,00	0,00
8.198	St. Ingberter Bank	100	100	100	10,00	0,00
8.199	St. Ingberter Bank	100	100	100	10,00	0,00
8.200	St. Ingberter Bank	100	100	100	10,00	0,00

[illegible]

1 198	Industrial Bank Japan Fin	1 198	91 Mar	78	1982
1 30	Industrial Bank Japan Fin	1 198	95 Dec	78	1982
3 198	Industrial Bank Japan	1 198	98 Feb	78	1982
1 198	Industrial Bank Japan	1 198	91 Mar	78	1982

[illegible]

3.36	James Co Ltd W/w	1	Dec	157	5.19
3.35	James Co Ltd X/w	1	Dec	158	12.19
3.34	James Co Ltd X/w	1	Dec	159	12.19

[illegible]

\$ 50	Mitsubishi Chem Co W/e	11	87	Jan	97	12.85
\$ 100	Mitsubishi Corp W/e	52	86	Nov	94	7.44
\$ 100	Mitsubishi Corp X/e	52	86	Nov	82	72.85

[illegible]

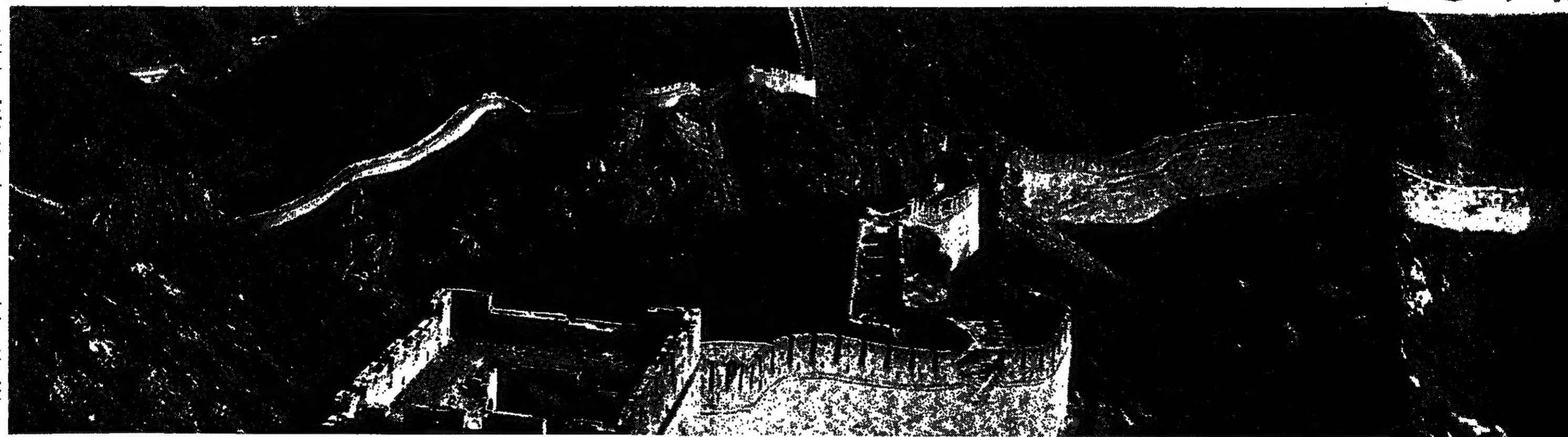
\$ 50	Mitsui	Engineer in W/W	7/6	'88	Oct	92%	9.78
\$ 50	Mitsui	Engineer in X/W	7/6	'88	Oct	84%	12.80
\$ 50	Mitsui	Finance Asia	11/6	'88	Dec	97	72.34
\$ 50	Mitsui	Finance Asia	11/6	'88	Dec	97	72.34

\$ 100	Alfred	Finance Acct	2/16 '97	Feb	10	12.49
\$ 100	Alfred	Trust Fin (Inc)	2/16 '97	Nov	20/12	12.38
\$ 100	Alfred	Trust Fin (Inc)	2/16 '97	Feb	10	12.48
\$ 100	Nielsen	Credit Bank	1/16 '97	Aug	30/4	12.56
\$ 100	Nielsen	Credit Bank	1/16 '97	Aug	30/4	12.56
\$ 100	Nielsen	Credit Bank	1/16 '97	May	9/4	12.63
\$ 100	Nielsen	Credit Bank	2/16 '98	Aug	9/1	12.21
\$ 200	Nielsen	Credit Bank	1/16 '97	Nov	9/12	12.48
\$ 200	Nielsen	Credit Bank	1/16 '97	May	30/3	10.38
\$ 100	Nielsen	Credit Bank	2/16 '92	Jan	10/1	12.36
\$ 100	Nielsen	Credit Bank	2/16 '97	Feb	10	12.48
\$ 100	Nielsen	Kohler Kobelski	2/16 '97	Feb	10	11.94

(Continued on Page 9)

(Continued on Page 9)

COME TO THE GREAT WASH



# AND THE UNPARALLELED

A black and white world map showing the continents. A star is placed in East Asia, specifically over China, and the word "BEIJING" is written in capital letters to the left of the star.

هكذا من الأصل

Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277  
Prices may vary according to market conditions and other factors.

AMT				SECURITY				Yield				AMT				SECURITY				Yield			
								%												%			
								Mtd															
								Price															
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# LED WORLD OF SHERATON

The hospitality people of **ITT**

# International Bond Prices - Week of March 14

Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277  
Prices may vary according to market conditions and other factors.

Am. Security	%	Mid	Yld	Am. Security	%	Mid	Yld
(Continued from Page 9)							
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00

## Convertible Bonds

Am. Security	%	Mid	Yld	Am. Security	%	Mid	Yld
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00

Am. Security	%	Mid	Yld	Am. Security	%	Mid	Yld
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00

## HIGHEST CURRENT YIELDS

On convertibles having a conversion premium of less than 10%.

Am. Security	%	Mid	Yld	Am. Security	%	Mid	Yld
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00

## Explanation of Symbols

Am. Security	%	Mid	Yld	Am. Security	%	Mid	Yld
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00

## Chicago Exchange Options

For the Week Ending March 15, 1985

Am. Security	%	Mid	Yld	Am. Security	%	Mid	Yld
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00

Am. Security	%	Mid	Yld	Am. Security	%	Mid	Yld
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00
Am. Ind. Corp.	10.00	100.00	10.00	Am. Ind. Corp.	10.00	100.00	10.00

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Marketmakers in Deutschmark Bonds WestLB  
Westdeutsche Landesbank

كلذا من الاصل

## New Eurobond Issues

Issuer	Amount (millions)	Mat.	Covp. %	Price	Price and week	Terms
<b>OUTSTANDING RATE NOTES</b>						
Atopostel del Morastrum	\$175	1995	1/16	100	99.55	Over 6-month Libor. Callable at par in 1988. Fees 0.25% \$125 million issued now and \$50 million reserved for a 6-month top. Denominations \$10,000.
ingkok Bank Ltd. nymon	\$100	2000	libor	100	99.50	Interest pegged to offered rate for 6-month Eurodollars, set monthly. Callable at par in 1988 and redeemable at par in 1995 and 1997. Fees 0.50%. Denominations \$10,000.
ingque Bruxelles (nbert Int'l)	\$100	1993	libor	100	99.50	Interest pegged to bid rate for 6-month Eurodollars, set monthly. Callable at par in 1987. Fees 0.25%. Denominations \$10,000.
ingque Nationale de aris	\$300	2005	libor	100	99.73	Interest pegged to bid rate for 6-month Eurodollars, set monthly. Callable at par in 1987. Fees 0.65%.
an Norske edbank	\$150	1991	—1/16	100	99.74	Below 6-month Libor, set monthly. Callable at par in 1985. Fees 0.25%. Denominations \$10,000.
oland	\$100	1990	0.60	100	99.75	Over money market equivalent yield for 6-month U.S. Treasury bills, set monthly, starting with the April 22 auction. Callable at par in 1987. Fees 0.50%. Denominations \$10,000.
olaysia	\$600	2015	linean	100	99.45	Interest pegged to average of bid and offered rates for 6-month Eurodollars, set monthly. Redeemable at par in 2005 and 2010 and callable at par in 1988. Fees 0.47%. Denominations \$10,000.
ational Bank of anada	\$100	1995	3/4	100	99.80	Over 3-month Libor for the first 2 years and 3/16 over thereafter. Maximum coupon of 12% in first 2 years only and minimum of 5% thereafter. Callable at par in 1988. Fees 0.20%. Denominations \$10,000.
eden	\$500	2005	—1/16	100	99.77	Below 6-month Libor, set monthly. Callable at par in 1987 and redeemable at par in 1992, 1995 and 2000. Fees 0.25%. Denominations \$10,000.
ells Fargo	\$200	2000	3/4	100	99.60	Over 1-month Libor. Callable at par in 1987. Fees 0.45%.
NI Int'l Bank	ECU 135	1992	3/4	100	99.60	Over 3-month Libor. Callable at par in 1986. Fees 0.70%. Denominations 10,000 ecus.
<b>DOED-COUPON</b>						
se Osterreichische andterbank	\$100	1992	12	100	97.63	Noncallable.
ritish Petroleum apital	£ 50	1992	10%	99%	97.50	Noncallable.
ivotalbanken	£ 20	1992	11%	100	—	Callable at 101 in 1990.
terling Drug Capital	£ 30	1990	10%	100	98.25	Noncallable.
World Bank	£ 100	1995	11%	99%	97.50	Noncallable.
egal Finance	ECU 75	1995	10%	100	—	Callable at 100% in 1991.
ell Canada	CS 125	1997	12%	100	97.50	Callable at 102% in 1992.
aisse Centrale esjardins Québec	CS 50	1990	12%	100	98.13	Noncallable.
Montreal Transport ommission	CS 20	1992	12%	100	97.75	Noncallable.
GH Mortgage Bank	DF 50	1990	8%	100	—	Noncallable.
IB	DK 250	1995	12	99	98.88	Noncallable. Purchase fund to start in 1985 to produce an 8.1% average rate.
ardic Investment ank	DK 200	1990	12	100	—	—
ales	Aus 25	1990	13%	100	98.50	Noncallable.
Junlop Olympic	NZ 25	1990	15%	100	—	Noncallable.
ion Breweries	NZ 25	1991	15%	99%	—	Redeemable at par in 1989.
ion Breweries	NZ 25	1992	15%	100	—	Redeemable at par in 1990.
<b>EQUITY-LINKED</b>						
adbury-Schwepes	\$ 80	2000	8	100	99.13	Callable at 104 in 1987. Convertible after Jan. 1986 at a 10.75% premium and at \$1.01 per share.
itizen Watch	\$ 50	2000	3	100	96.50	Callable at 103 in 1990. Convertible at \$95 per share and at 200.25 yen per dollar.
ipon Aviation Electronics Industry	\$ 40	2000	open	100	—	Seasonal coupon indicated at 3%. Callable at 104 in 1988. Convertible at an expected 2% premium. Terms to be set March 19.
Paul Companies	\$100	2000	7 1/2	100	99	Seasonally. Callable at 105 in 1990 and redeemable at 115 in 1990 for a 10.14% yield. Convertible at \$104 a share.
ashiba Ceramics	\$ 50	2000	open	100	—	Seasonal coupon indicated at 5.45%. Callable at 104 in 1988. Convertible at an expected 5.45% premium. Terms to be set March 18.
atshimpon	DM 60	1990	open	100	96	Coupon indicated at 35%. Each \$100,000 bond with one warrant exercisable into shares of an expected 25% premium. Terms to be set March 19.

## Mismatched Coupons Are Being Widely Used

(Continued from Page 7)

directly on the transiently large yield. Many analysts are concerned about what happens to these low-margin notes when the yield read narrows or collapses, producing institutional holders with little or no income over their borrowing costs. The fear is that mismatched paper will then be dumped, making prices of such notes much more vulnerable than additional FRNs, whose fixed margin over the interbank rate provides holders an assured profit over attached financing costs. Price stability resulting from the regular resetting of coupons to prevailing market conditions has traditionally been one of the major attractions of FRNs. With volatility now a potential danger, the forty conservative purchasers of FRNs (who wanted short-dated, marketable instruments that carried virtually no capital risk) will presumably be driven to buy notes or Euro commercial paper. For borrowers, as shown earlier, the mismatch formula is considered to offer great savings. But a study by the Bank of America disputes this. Its data shows that over the past five years 16-month Libor has averaged 53 percent, six-month Libor 65 percent and six-month Libor fixed monthly 10.8 percent. The conclusion is that a borrower would save 27 basis points by pegging its FRN coupon to the one-month rate rather than the six-month rate set monthly and 12 basis points by using the six-month rate set semi-annually. (The Bank of America does not agree with the Salomon Brothers figures, which show an average spread between the one- and six-month rates of 33 basis points, but the wider discrepancy further validates the taking of the analysis.) Taking the apparently low-cost 16-month and Swedish issues, the borrowers saved 6.3 basis points by using the notes at 1/16 point be-

## Run in Ohio Pushes Down T-Bill Rates

By Michael Quint

NEW YORK — Interest rates on Treasury bills fell sharply Friday, as traders and some investors reacted to the three-day closing of 71 Ohio thrift units by shifting funds into the "safe harbor" of the Treasury-bill market.

By late afternoon, the three-month Treasury bill was bid at 8.43 percent, down about 1/8 percentage point from 8.79 percent a day earlier. The six-month issue was down 1/8 percentage point, to 8.95 percent. "A lot of the drop in bill rates had to do with people running for cover," said Walker C. Tompkins, vice president at the Provident Institutional Management Corp., an investment advisory firm in Wilmington, Delaware.

"We definitely saw some buying of bills that you would call 'flight to quality,'" said an official at one government securities dealer who asked not to be identified. "But you have to remember there were other events Friday... that could explain some of the decline in bill rates."

Among these, he said, were the announcements by the Commerce Department of a decline of 0.1 percent in U.S. producer prices for February and by the Federal Reserve of a fall of 0.5 percent in industrial production for February. Both announcements revived hopes of lower interest rates.

Among longer-term Treasury issues, yields fell by much smaller amounts than short-term bills. The two-year notes to be auctioned Wednesday, for example, were offered late in the day at 10.86 percent, down from about 10.99 percent in the Treasury bond market, the 114-percent issue due in 2015, rose about 1 point at the opening, but declined in afternoon trading to close at an offered price of 95 2/32, up about 1/4 point, to yield 11.85 percent.

U.S. Consumer Rates

For Week Ending March 15

Passbook Savings	5.50 %
Time Deposit	7.75 %
Money Market Funds	8.22 %
Bank of America	8.04 %
First National City	8.04 %
Wells Fargo	8.04 %
First National City	8.04 %
Wells Fargo	8.04 %
First National City	8.04 %
Wells Fargo	8.04 %

## Rated Euronotes, Sliding-Fee Credit Mark Firsts in International Market

By Carl Gewirtz

International Herald Tribune

PARIS — A number of firsts were set in the international bank credit market last week: the first "multi-options facility" with sliding fees, and the first mismatch pricing a syndicated bank loan.

The ratings were obtained by Commonwealth Bank of Australia for a \$500-million, five-year note and certificate-of-deposit facility.

The highest rating, A1-plus on maturities of up to one year and triple-A on longer maturities, was no doubt motivated by the bank's desire to arbitrage the U.S. commercial paper market and the fledgling Eurocommercial market.

Bankers also believe a rating will facilitate the placement of notes internationally, especially as an increasing number of note programs are not underwritten by banks.

The development of the Euro-note market has to date not been characterized by attention to credit quality as compared with the Euro-bond or the U.S. commercial paper markets. Salomon Brothers, arranger of the facility, said in its text, "The Commonwealth Bank believes that ratings are as relevant to the Euro-note market as they are to the commercial paper market and the advent of rating for Euro-note should lead to increased credit awareness by, and comfort for, investors in Europe," the text concluded.

In the CBA facility, banks are providing a back-up line of credit of only \$100 million, on which they earn an annual fee of 1/16 percent. Four dealers — Credit Suisse First Boston, Goldman Sachs, Merrill Lynch and Salomon Brothers — will be asked to bid for the notes. The maximum yield for the dealers is set at the London, Singapore or New York interbank bid rate for paper having a maturity of up to six months. There is no maximum yield on issues of nine, 12, 18 or 24 months.

Underwriters are committed to take paper that was not tendered for by the dealers at the London interbank offered rate, or Libor. The CD will be issued in the name of the bank's London branch, assuming a liquid secondary market since the paper can be traded in the big London CD market. The notes will be issued in the name of the Sydney-based parent bank.

The multi-options facility is being arranged for France's Crédit d'Équipement des Petites et Moyennes Entreprises (CEPME). The \$300-million, 10-year facility is designed to allow the borrower to tap different markets and currencies through different but linked programs. If the facility is fully drawn, banks will earn 43 basis points; if the credit agency sells notes and does not draw on the banks, they are assured of earning a minimum annual facility fee of 7.25 basis points. A basis point is one hundredth of a percentage point.

The banks are not obliged to take CEPME notes, but rather to provide a line of credit. Initially, the back-up line is divided equally into three categories: immediately available (for which CEPME pays 8.5 basis points), in reserve (for which it pays 7 basis points), and frozen (for which it pays 6.5 basis points). The sliding scale reflects the fact that the agency does not expect to ever fully utilize the entire credit.

To upgrade the scale to make the entire amount immediately available, CEPME must give the banks three months' notice or pay a penalty. Moving from reserve to immediately available without notice, the penalty would be 2.5 basis points, and from frozen to available 3.5 basis points. Downgrading the amounts requires one month's notice.

CEPME is obliged to always keep a minimum of \$75 million in the available category and the frozen portion may never exceed \$75 million (except during the first year, when it cannot exceed \$100 million).

The reserve category would be used as a backup to the sale of short-term notes. The frozen category would be used if the agency is able to raise long-term funds (which it calls "substitute borrowing") with a maturity of longer than one year.

To draw on the bank loan, CEPME will pay 1/4 point over Libor. If annual drawings on the credit line do not exceed \$100 million, CEPME will pay no additional fees. If annual drawings exceed one-third of the total facility, it will pay a utilization fee of 5 basis points on the average amount used; if the drawings exceed 50 percent, it will pay 12.5 basis points; and if it exceeds 75 percent, it will pay 20 basis points.

Bank of America and Lehman Brothers will serve as dealers to market dollar-denominated Euro-commercial paper on a best-efforts basis while all the banks participating in the facility will be invited to bid for short-term notes denominated in European Currency Units.

Although bidding for the ECU notes will be competitive, 15 percent of each offering will be available to be divided among all participating banks at the weighted

average yield of the competitive bids.

The mismatch formula, now so popular in the floating rate note market, is being introduced into the loan market by Manufacturers Hanover Trust in a refinancing of Amstar, Autopistas del Mar del Norte, a Spanish highway authority.

The amount of the refinancing is still uncertain, a minimum of \$100 million and a maximum of \$145

funds, could probably expect to now pay a split 3/4-1/2 point margin, bankers estimate.

In the Euronote market, Nationale Nederlanden, the Dutch insurance company, is putting together a five-year facility to market up to \$300 million of short-term paper. It is seeking a standby credit of \$200 million, of which \$50 million will be used to back the sale of commercial paper in New York.

It will pay an annual fee of 1/16 percent on the facility will be cost it 1/16 point over Libor. If more than a third of the backup is drawn, it will pay an additional 1/16-percent usage fee on the entire amount drawn. If more than two-thirds is drawn, the usage fee rises to 1/8 percent.

Bowater Inc., the British company's U.S. affiliate, is arranging an underwritten five-year note facility of \$150 million. Underwriters will be paid a fee of 10 basis points for the first two years and 12.5 basis points thereafter. If more than one-third of the back-up credit is drawn, Bowater will pay a utilization fee of five basis points and if more than two-thirds is drawn the fee rises to 10 basis points.

The maximum yield on the Bowater notes — the level at which underwriters must agree to take the paper — is set at 17.5 basis points over Libor. In all, if the banks are fully called upon to supply the credit, they will earn 1/4 point over Libor.

Bestrate Companies Inc. is arranging a \$1.3-billion, three-year facility underwritten by banks for an annual fee of 10 basis points. If notes are offered but cannot be sold, banks agree to take the paper at a maximum yield of 20 basis points over Libor.

Indonesian, which has \$1.5 billion in unsecured credit lines and whose reserves are increasing, is asking banks to bid on terms for a \$400-million standby line of credit. The country, which last paid a split 3/4-1/2 point over Libor for eight-year

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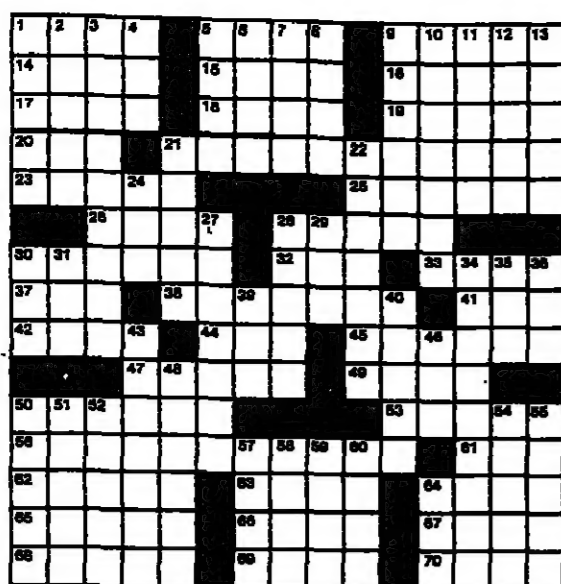
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هكذا من الأصل.





**ACROSS**

1 Midding  
5 Ancient  
9 Impressionist  
14 Waiter's  
15 Do roadwork  
16 Reflection  
17 Too bad!  
18 Scads  
19 Conform;  
20 Grazed  
21 Innate  
22 Generosity  
23 Title for  
24 Laureate's  
25 Laureate's  
26 Faculties  
28 "Tell me  
30 Former  
32 "Miss  
33 Turned  
37 Seed-bearing  
38 Historic U.S.  
41 Falsehood  
42 Little one  
44 Compressed  
45 Pepper of Fla.  
47 Flock  
49 Arlington vault  
50 Stand in the  
53 Orchard pest  
56 Rattler  
61 "A Chorus  
62 Organic  
63 Part of a foot  
64 Actor Moses  
65 Parisian sight  
66 May Whitty,  
67 Manipulates  
68 Jog  
69 Yet again  
70 Nothing more  
71 Disagree  
72 Some  
73 Expatriates  
74 Toledo tabbies  
75 Limber  
76 Transmits  
77 All hot and  
78 Battered  
79 Harm it up  
80 Horse and  
81 Carriage  
82 Winter  
83 Forest  
84 Emulate a bee  
85 Coterie  
86 Treat for  
87 Trigger  
88 Meeting place  
89 Meats  
90 Succor  
91 Pro-shop item  
92 Reckoning  
93 Outer garment  
94 Proper sphere  
95 Eluc. unit  
96 Doves on  
97 That is: Lat.  
98 Harpoon, for  
99 Place for a  
100 barbecue  
101 Hidden  
102 Thickly packed  
103 Artistic cult of  
104 Wheat  
105 byproduct  
106 Zenith  
107 Humiliate  
108 Sticky stuff

**DOWN**

1 Retinue  
2 OPEC vessel  
3 Preparations  
4 C.I.A.  
5 Church section  
6 Festive  
7 Word at the  
8 bottom of a  
9 Salamander

## DENNIS THE MENACE



"THIS CAMOUFLAGE SUIT DOESN'T WORK. MR. WILSON CAN STILL SEE ME!"

## JUMBLE

Unscramble these four Jumbles. One letter to each square, to form four ordinary words.

**DUJEG**  
**HUTEC**  
**INVOIL**  
**TOPITE**

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: **FOUR** (Answers tomorrow)

Friday's Jumbles: BLOAT, FABLE, ENOUGH, INDIGO

Answer: What puzzle does a monster play on a hockey team? — "GHOULIE"

## WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	28	18	Bangkok	32	22
Austria	18	8	Beijing	18	8
Belgium	18	8	Bombay	32	22
Canada	18	8	Buenos Aires	28	18
France	18	8	Calcutta	32	22
Germany	18	8	Chennai	32	22
Greece	18	8	Colombo	32	22
India	18	8	Dhaka	32	22
Italy	18	8	Delhi	32	22
Japan	18	8	Dubai	32	22
Kenya	18	8	Frankfurt	18	8
Madagascar	18	8	Geneva	18	8
Malawi	18	8	Helsinki	18	8
Mali	18	8	Istanbul	18	8
Morocco	18	8	Los Angeles	28	18
Netherlands	18	8	London	18	8
Nigeria	18	8	Madrid	18	8
Pakistan	18	8	Moscow	18	8
Panama	18	8	Munich	18	8
Peru	18	8	Nairobi	18	8
Philippines	18	8	Rio de Janeiro	18	8
Poland	18	8	Rome	18	8
Portugal	18	8	Sao Paulo	18	8
Romania	18	8	Seoul	18	8
Russia	18	8	Singapore	18	8
Spain	18	8	Sydney	18	8
Sweden	18	8	Taipei	18	8
Switzerland	18	8	Tokyo	18	8
Tanzania	18	8			
Togo	18	8			
Tunisia	18	8			
Turkey	18	8			
Uganda	18	8			
Ukraine	18	8			
United States	18	8			
Yugoslavia	18	8			

MONDAY'S FORECAST — CHANNING: Slightly choppy. FRANKFURT: Overcast. TAIPEI: Partly cloudy. TAIPEI: Partly cloudy. TAIPEI: Partly cloudy.

## PEANUTS



## BLONDIE



## BEETLE BAILEY



## WIZARD of ID



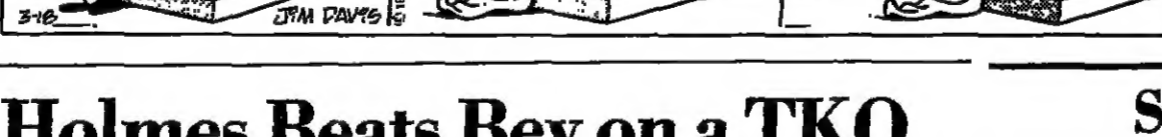
## REX MORGAN



## GARFIELD



## HOLMES BEATS BEY ON A TKO



David Bey got a close look at champion Larry Holmes' left jab in eighth round. Bout ended two rounds later.

By John Ed Bradley  
Washington Post Service

LAS VEGAS — Larry Holmes, the International Boxing Federation heavyweight champion, came off a slow start to win by a 10th-round technical knockout over David Bey in a scheduled 15-round bout Friday night.

The title defense was Holmes' 18th and, he said earlier, his last in seven years as the champion. Holmes, 47-0 as a professional, with 34 knockouts, is two victories short of the record held by Rocky Marciano, but he could join Marciano as the only heavyweight champion to retire unbeaten.

"I'm really looking forward to retirement," Holmes, 35, said. "I think this was it."

(Asked to elaborate, he said: "This is it" means "I'll retire if I don't get an offer from Michael Spinks by the end of April." A reasonable amount: \$4 million from Michael Spinks or \$25 million from Gerry Cooney.)

[Spinks, the undisputed lightweight champion, is considering a move to the heavyweight division. Cooney, a heavyweight, lost to Holmes in June 1982.]

Holmes, who weighed in at 223½ pounds (101.6 kilograms), began dominating the fight in the seventh round. He knocked down Bey in the eighth, and the fight was stopped with two seconds left in the 10th after Holmes had scored with 10 unanswered punches.

After nine rounds, judge Dalby Shirley of Las Vegas had Holmes ahead, 88-81. Judges Tom McDonough of Seattle and Harold Lederman of New York each favored the champion, 87-82.

Bey's record is now 14-1. Early in the first round, Bey, who weighed in at 233½ pounds, threw a wild roundhouse right and popped Holmes on the back of the head.

In the second, Bey threw a blind right that landed flush on Holmes' cheek, but the champion retaliated with a good right jab. Bey threw a terrific left that stunned Holmes, then followed up with a combination of punches that hurt him.

Holmes' best effort in the third round was a right hand that found Bey's jaw. In the middle of the fourth, Bey issued a forearm that caused the champion to slip to the canvas. When Holmes got up, Bey threw a tremendous right that sent Holmes back on his heels.

A small swelling under Bey's left eye became a target for Holmes' left jab in the fifth round, and he continued to connect there in the sixth.

By hugging the ropes in the seventh, in the eighth, a combination dropped Bey, then a hard right sent him stumbling across the ring.

## BOOKS

## MATISSE

By Nicholas Watkins. 240 pp. \$39.95.  
Oxford Press, 200 Madison Avenue,  
New York, N. Y. 10016.

Reviewed by Michiko Kakutani

By the time he died at the age of 84, Henri Matisse had already achieved international recognition. For years, his paintings had been selling well enough to afford his family a comfortable bourgeois life; he had earned his country's acclaim, being named a commander of the Legion of Honor in 1947, and in 1951, a retrospective at the Museum of Modern Art established him, once and for all, as one of this century's most influential and important painters, rivaled only by Picasso.

Since his death in 1954, Matisse's reputation has continued to flourish, galvanized by such shows as the Grand Palais exhibition, organized by Pierre Schneider in Paris in 1970. No doubt it's a measure of the ongoing interest in Matisse that last year, alone, witnessed the publication of half a dozen books explicating his oeuvre — most notably, a long-awaited monograph by Schneider.

That voluminous study — to which this new book by Nicholas Watkins must inevitably be compared — remains a profoundly idiosyncratic work, a kind of Joycean monologue on the subject of Matisse, filled with digressions, literary allusions, and free-associative riffs about everything from academicism to the Parisian art market to the meaning of the sacred. If Schneider's ambitious book left the reader with a hallucinatory appreciation of Matisse's imaginative world, however, his totally subjective approach to history also made for acute frustrations. Given the book's looping of time and space, it was almost impossible for the casual reader to get a clear sense of Matisse's artistic maturation or even to locate reproductions of specific paintings under discussion.

In contrast, Watkins's book on Matisse is modest in scope, conventional in style, chronological in structure. Instead of advancing his theories about Matisse, Watkins tends to neatly summarize various critical positions; and instead of trying to make the reader "see" the artist's work through flashy, evocative phrases, he settles for fairly academic discussions of influences and techniques at work in such paintings as "The Dinner Table," "Le Bonheur de Vivre," "Blue Nude," "Bathers With a Turtle," "Dance," "Music," and "The Red Studio."

There's something narcissistic about this bright, artificial life that Matisse made for himself there on the shores of the wartime Mediterranean, and yet this unreal world would inspire a series of remarkable paintings — paintings that succeeded in transforming the merely personal into enduring and radical art.

Michiko Kakutani is on the staff of The New York Times.

## BRIDGE

By Alan Truscott

ON the diagrammed deal was Precision and thereby liable to be based on a short suit. West's two-club bid was a non-forcing and East's shot at game was not unreasonable since he was limited by his failure to bid an artificial club. Three no-trump would presumably have failed by one trick.

Many partnerships would permit North to bid diamonds naturally at the two-level but without such agreement he had to wait until the four-level to show his suit. Four diamonds would have made an overtrick and East's double made little sense, but it did scare his opponents out of a safe contract into a shaky one. South ventured four hearts and was lucky to slight in a four-four fit. East doubled again presumably in pique.

A club lead would have forced the dummy to ruff and set the declarer difficult problems. But West led the diamond jack, presumably guided by his partner's double of four diamonds. South played dummy's queen, which won the trick when East made an odd decision to duck.

South now ran the spade jack successfully and led a trump to the eight. This lost to the jack, and West belatedly shifted to clubs. Dummy ruffed and the diamond king was led. Again East chose to duck. Now the heart nine was led and East played low. A diamond ruff removed the ace

and South ruffed a club. When a winning diamond was played East had to ruff. South overtrick and surrendered a spade trick to make an overtrick.

West and East were vulnerable.

East and West were vulnerable.

East and West were vulnerable.

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## Jury Convicts McLain on Four Charges

The Associated Press

TAMPA, Florida — Denny McLain, the former baseball great, was convicted by a jury Saturday of racketeering, conspiracy, extortion and cocaine possession charges after the panel deliberated more than three days.

The nine-woman, three-man jury found the major league's last pitcher to win 30 games, for Detroit in 1968, innocent on one count, of conspiracy to smuggle cocaine.

Two co-defendants, Seymour Sher and Frank Cocchiare, were convicted of racketeering, conspiracy and extortion. A third co-defendant, Joe Rodriguez, was found innocent on a charge of conspiracy to smuggle cocaine.

McLain, 41, faces a maximum penalty of 75 years in prison and fines totaling \$75,000, said Ernest Mueller, the assistant U.S. attorney who prosecuted the case. Sher and Cocchiare each face 60 years in prison and fines of \$60,000.

U.S. District Court Judge Elizabeth A. Kovachewich set April 19 as a sentencing date.

McLain, who maintained his innocence through the four month trial, was "devastated" at the verdict, said his attorney, Arnold Levine.

■ Torres Charged as Drug Dealer  
Rusty Torres, a former major league outfielder, and two other players were charged Friday with selling cocaine to an undercover police detective in a diner. The Associated Press reported from Huntington, New York.

Torres, 36, played nine seasons in the majors, from 1971 through 1980. He came up with the New York Yankees, then played for Cleveland, California, the Chicago White Sox and Kansas City.

## SPORTS BRIEFS

## Rome Scraps Plans for Grand Prix Race

ROME (AP) — Plans to hold a Formula One Grand Prix race on city streets has been scrapped, officials announced, after weeks of bitter debate pitting environmentalists against car-racing fans.

The race had been planned for Oct. 13 in Rome's EUR section, a grandiose architectural project built by Mussolini as a showpiece. But a powerful coalition of officials and local businesses argued that the race would seriously damage the environment, divert city resources from more vital projects and close down EUR for a month for preparations and the race itself. Mayor Ugo Vetere, a race supporter, said Saturday that the Italian Automobile Club had dropped plans for the race because "it wasn't possible to reconcile different demands."

## NFL to Test Helmet Radios in Preseason

PHOENIX, Arizona (AP) — National Football League owners decided Friday to experiment with radio transmitters and receivers in helmets during some exhibition games this year. They emphasized, however, that the helmets would not be used during the 1985 regular season.

The owners agreed to let eight teams try the helmets during the preseason. Two of the teams will be the San Francisco 49ers and the Seattle Seahawks; the other six will be decided later, as will the games. The helmets will be limited to the offensive units.

## Rhoman Rule Easily Wins Everglades

MIAMI, Florida (UPI) — Rhoman Rule, running his second race as a three-year-old, led from gate to wire Saturday to record an eight-length victory at the \$100,000 Everglades Stakes, one of the stepping stones to the Triple Crown.

Rhoman Rule, ridden by Jacinto Vasquez, went off as a 6-5 second choice to odds-on favorite Irish Sur, who finished in third, 14 lengths off the pace. Creme Fraiche, trained by Woody Stephens, was second.

Missing from the Everglades field were two early favorites for the Kentucky Derby, Proud Truth, who won the Florida Derby, and Chief's Crown, the two-year-old Eclipse Award winner.

Also Saturday, at Pimlico in Baltimore, Imp Society shattered a 22-year-old course record by winning the 31st running of the \$191,000 John B. Campbell Handicap in 2:03 for the mile and a quarter (two kilometers). With Fat Day up, Imp Society set a second and one-fifth off the previous record set by Yankee Blaze on Dec. 4, 1963. More finished second, two lengths back, and Light Spirit was third.

## Upper, Sils Take Lead in New Orleans Golf

NEW ORLEANS (AP) — Brett Upper and Tony Sils mastered swishing winds and a wet course Friday to take the lead in the \$400,000 USF&G Golf Classic with 9-under-par 135s after two rounds. The third round was canceled because of rain, and tournament officials said they planned to make it a 54-hole competition ending with a full round on Sunday.

Upper shot 68 Friday to go with Thursday's 67. Sils had a 66 in the first round and a 69 Friday. John Mahaffey, whose 63 was best in the first round, shot 73 in the second, falling into a tie at 136 with Gibby Gilbert. Gilbert shot a 71 on Friday's round.

UPK10150

SPORTS

# An Old Trick Helps Kentucky Win in New NCAA Tourney

**United Press International**

Coaches have long used the tactic, but obviously it still works. Kentucky's coach, Joe B. Hall, incited his team to indignation and an inspired performance followed.

"We're here to make believe out of the people who said we shouldn't be here," Kenny Walker said Saturday after he led Kentucky to a 64-61 victory over Nevada-Las Vegas in the second round of the NCAA tournament's Western Regionals at Salt Lake City, Utah. "We want to silence them. That's been the big motivation."

Walker blocked a shot by Richie Adams that would have put Nevada-Las Vegas ahead, but scored on a breakaway dunk shot with 21 seconds left.

That gave the Wildcats, who, at 18-12, have the worst record in the NCAA West, a regional semifinal berth March 22 at Denver against St. John's. The Redmen earlier advanced with a 68-65 victory over Arkansas.

In the Southeast Regional at South Bend, Indiana, North Carolina escaped Notre Dame, 60-58, and Auburn beat Kansas, 66-64.

At Tulsa, Oklahoma, Oklahoma beat Illinois State, 75-69, and Louisiana Tech defeated Ohio State, 79-67, in a Midwest Regional.

At Hartford, Connecticut, Georgetown defeated Temple, 63-46, and Loyola (Illinois) beat Southern Methodist, 70-57, to extend its winning streak to 19 games, longest in the nation.

For Kentucky, Walker scored a game-high 23 points. The Wildcats went into a stall when they were leading 60-52, with 4:46 left.

The Rebels produced their consecutive turnovers and UNLV closed to 60-59 on a three-point play by Anthony Jones with 1:34 left. Then Adams' short jumper, with 30 seconds to go, was rejected by Walker.

St. John's two-time all-American, Chris Mullin, had 26 points and made that game's winning free throw with 36 seconds left.



Mike Moses had a hand in stopping Joe Kleine of Arkansas as St. John's won its game.

secutive NCAA titles since UCLA in the early 1970s, held a 31-23 at the half and scored the first seven points after intermission.

Indiana stole a victory from Butler. The Hoosiers racked up 11 steals Friday night to win, 79-57, in the first round of the National Invitation Tournament.

In other games, Richmond edged Fordham, 59-57; Tennessee-Chattanooga beat Clemson, 67-65, and Lamar downed Houston, 78-71.

Indiana's Steve Alford regained his shooting touch, finishing with 26 points, and did an excellent job on defense, getting eight steals.

Said Indiana's assistant coach, Jim Crews, "Our whole team usually doesn't have five steals."

Butler turned the ball over 19 times, and said the coach, Joe Sexton, "It was the most aggressive halfcourt defense we've faced all year and our guys were not ready for it."



Photo by The Associated Press

## Victory Gives Irish Top Spot in Rugby; English Beat Scots

At top, Mark Ring, a Welsh back, moved to elude a tackler during Saturday's 21-9 defeat by Ireland at Cardiff Arms Park. Ireland, which now leads the Five Nations Rugby Union championship, scored two tries, and Michael Kiernan kicked three penalty goals and two conversions. The Welsh put heavy pressure on the Irish defense but managed only a try, a conversion and a drop goal. At left, England won a lineout on the way to a 10-7 victory over Scotland at Twickenham, in London. Ireland has five points in three matches, one point ahead of France. Ireland needs only to beat England on March 30 to clinch the championship and the Triple Crown for British Isles teams. England remained in third place, with three points in two matches, and Wales in fourth, with two points in two matches. Scotland has lost all four of its matches.

## SCOREBOARD

### Basketball

#### National Basketball Association Standings

EASTERN CONFERENCE			
Team	W	L	Pct.
Philadelphia	32	14	.692
Washington	31	15	.672
New York	31	15	.672
Atlanta	29	17	.628
Charlotte	28	18	.609
Orlando	27	19	.587
Indiana	26	20	.565
Chicago	25	21	.543
San Antonio	24	22	.521
Phoenix	23	23	.500
Utah	22	24	.479
Portland	21	25	.457
Los Angeles	20	26	.435
Golden State	19	27	.413
San Diego	18	28	.391
Memphis	17	29	.369
San Jose	16	30	.347
Seattle	15	31	.325
Portland	14	32	.303
Los Angeles	13	33	.281
Golden State	12	34	.259
San Diego	11	35	.237
Memphis	10	36	.215
San Jose	9	37	.193
Seattle	8	38	.171
Portland	7	39	.149
Los Angeles	6	40	.127
Golden State	5	41	.105
San Diego	4	42	.083
Memphis	3	43	.061
San Jose	2	44	.039
Seattle	1	45	.017
Portland	0	46	.000

### Hockey

#### NHL Standings

WALE CONFERENCE			
Team	W	L	Pct.
Philadelphia	32	14	.692
Washington	31	15	.672
New York	31	15	.672
Atlanta	29	17	.628
Charlotte	28	18	.609
Orlando	27	19	.587
Indiana	26	20	.565
Chicago	25	21	.543
San Antonio	24	22	.521
Phoenix	23	23	.500
Utah	22	24	.479
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Memphis	10	36	.215
San Jose	9	37	.193
Seattle	8	38	.171
Portland	7	39	.149
Los Angeles	6	40	.127
Golden State	5	41	.105
San Diego	4	42	.083
Memphis	3	43	.061
San Jose	2	44	.039
Seattle	1	45	.017
Portland	0	46	.000

### World Cup Skiing

#### WOMEN'S SLALOM

Rank	Name	Time
1	Tamara McKinney, U.S.	1:23.10
2	Maria Rosa, Italy	1:23.45
3	Anna Knapik, Austria	1:23.55
4	Brigitte Oertli, Switzerland	1:24.02
5	Marlene Stanger, Austria	1:24.10
6	Christine Gschwendtner, Austria	1:24.15
7	Brigitte Oertli, Switzerland	1:24.20
8	Brigitte Oertli, Switzerland	1:24.25
9	Brigitte Oertli, Switzerland	1:24.30
10	Brigitte Oertli, Switzerland	1:24.35
11	Brigitte Oertli, Switzerland	1:24.40
12	Brigitte Oertli, Switzerland	1:24.45
13	Brigitte Oertli, Switzerland	1:24.50
14	Brigitte Oertli, Switzerland	1:24.55
15	Brigitte Oertli, Switzerland	1:25.00
16	Brigitte Oertli, Switzerland	1:25.05
17	Brigitte Oertli, Switzerland	1:25.10
18	Brigitte Oertli, Switzerland	1:25.15
19	Brigitte Oertli, Switzerland	1:25.20
20	Brigitte Oertli, Switzerland	1:25.25

### European Soccer

#### ENGLISH FIRST DIVISION

Rank	Team	Points
1	Manchester United	38
2	Liverpool	35
3	Nottingham Forest	32
4	Sheff Wed	30
5	Sheff Utd	28
6	Sheff Wed	25
7	Sheff Wed	22
8	Sheff Wed	19
9	Sheff Wed	16
10	Sheff Wed	13
11	Sheff Wed	10
12	Sheff Wed	7
13	Sheff Wed	4
14	Sheff Wed	1
15	Sheff Wed	0
16	Sheff Wed	0
17	Sheff Wed	0
18	Sheff Wed	0
19	Sheff Wed	0
20	Sheff Wed	0

### Football

#### SFL Standings

EASTERN CONFERENCE			
Team	W	L	Pct.
Atlanta	10	4	.714
San Diego	9	5	.643
Los Angeles	8	6	.571
San Antonio	7	7	.500
Phoenix	6	8	.429
Chicago	5	9	.357
San Jose	4	10	.286
Seattle	3	11	.214
Portland	2	12	.143
Los Angeles	1	13	.071
Golden State	0	14	.000

### NCAA Tournament

#### EAST REGIONAL

Rank	Team	Score
1	North Carolina	79-67
2	Indiana	75-69
3	Georgia Tech	70-57
4	Georgetown	63-46
5	Temple	60-58
6	Auburn	66-64
7	Notre Dame	60-58
8	Kansas	66-64
9	Illinois State	75-69
10	Louisiana Tech	79-67
11	Ohio State	79-67
12	Southern Methodist	70-57
13	Loyola (Ill.)	63-46
14	Georgetown	63-46
15	Temple	60-58
16	Auburn	66-64
17	Notre Dame	60-58
18	Kansas	66-64
19	Illinois State	75-69
20	Louisiana Tech	79-67

### Tennis

#### WOMEN'S TENNIS TOURNAMENT

Rank	Name	Score
1	Martina Navratilova	6-4, 6-3
2	Chris Evert	6-4, 6-3
3	Steffi Graf	6-4, 6-3
4	Monica Seles	6-4, 6-3
5	Andreja Panovc	6-4, 6-3
6	Barbara Rennie	6-4, 6-3
7	Elizabeth Smylie	6-4, 6-3
8	Brigitte Oertli	6-4, 6-3
9	Brigitte Oertli	6-4, 6-3
10	Brigitte Oertli	6-4, 6-3
11	Brigitte Oertli	6-4, 6-3
12	Brigitte Oertli	6-4, 6-3
13	Brigitte Oertli	6-4, 6-3
14	Brigitte Oertli	6-4, 6-3
15	Brigitte Oertli	6-4, 6-3
16	Brigitte Oertli	6-4, 6-3
17	Brigitte Oertli	6-4, 6-3
18	Brigitte Oertli	6-4, 6-3
19	Brigitte Oertli	6-4, 6-3
20	Brigitte Oertli	6-4, 6-3

### Transition

#### BASEBALL

Rank	Team	Points
1	Philadelphia	38
2	Liverpool	35
3	Nottingham Forest	32
4	Sheff Wed	30
5	Sheff Utd	28
6	Sheff Wed	25
7	Sheff Wed	22
8	Sheff Wed	19
9	Sheff Wed	16
10	Sheff Wed	13
11	Sheff Wed	10
12	Sheff Wed	7
13	Sheff Wed	4
14	Sheff Wed	1
15	Sheff Wed	0
16	Sheff Wed	0
17	Sheff Wed	0
18	Sheff Wed	0
19	Sheff Wed	0
20	Sheff Wed	0

### Penguins Sneak Up On Rangers

**Los Angeles Times Service**

PITTSBURGH — The Pittsburgh Penguins have missed the playoffs for the last two seasons. Although the team has improved under its new coach, Bob Berry, and with the addition of a talented rookie, Mario Lemieux, the Penguins' chances of being in the post-season tournament this season did not look good.

Until Saturday, that is.

In a complete turnaround, the Penguins, playing probably their best game of the season, trounced the New York Rangers, 5-0, at Pittsburgh to move into position to challenge for a playoff spot.

Mike Bullard and Lemieux scored first-period goals and veteran goaltender Denis Herron stopped 26 shots to key the victory. The Penguins are now three points behind the fading Rangers in the battle for fourth place in the Patrick Division. The Rangers, 0-4-1 in their last five games, have played one more game than the Penguins.

"If we had lost, we wouldn't have been eliminated statistically, but it was a four-point switch," Berry said. "We had a great effort from everybody. They played their hearts out. There's no question in my mind this was our best game of the season."

The 23rd victory is seven more than the Penguins had all last season, but it was only their second victory in the last seven games.

"They were ready to play," said New York's left wing, Don Maloney. "You have to give credit where it's due. The difference between the two games was night and day. We had better wake up and realize this is a dogfight."

In other games Saturday, it was Calgary 5, Boston 3; the New York Islanders 6, Washington 4; Philadelphia 6, Toronto 1; Minnesota 4, Montreal 2, and Hartford 5, St. Louis 0.

### 76ers Remember the Nets

**Los Angeles Times Service**

PHILADELPHIA — The Philadelphia 76ers have not forgotten that it was the New Jersey Nets who spoiled their chances to repeat as NBA champions. The Nets

shocked the 76ers in the opening round of the playoffs last spring. Even playing without a center Saturday night at Philadelphia, the 76ers did not forget. Though Moses Malone and Clem Johnson were forced to use 6-foot-8-inch (2-meter) forward Sam Williams at center, it was simply no contest.

Julius Erving took charge, scoring 31 points as the 76ers went in front early and coasted, 127-107. Erving scored 22 points in the first half to help build a 61-52 lead.

### NBA FOCUS

shocked the 76ers in the opening round of the playoffs last spring. Even playing without a center Saturday night at Philadelphia, the 76ers did not forget. Though Moses Malone and Clem Johnson were forced to use 6-foot-8-inch (2-meter) forward Sam Williams at center, it was simply no contest.

**New York Times Service**

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